

Table T07-0155
Fully Refundable Child and Dependent Care Tax Credit (CDCTC)
Distribution of Federal Tax Benefits by Cash Income Percentile, 2006¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Benefits	Average Federal Tax Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Benefit	Without Tax Benefit			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.9	97.1	0.3	13.6	-23	-8.8	0.0	0.4	-0.3	3.1
Second Quintile	3.6	96.4	0.2	19.1	-32	-2.2	0.0	2.1	-0.2	7.1
Middle Quintile	5.0	95.0	0.1	18.6	-31	-0.6	0.0	7.5	-0.1	14.3
Fourth Quintile	6.5	93.5	0.1	21.0	-35	-0.3	0.0	17.0	-0.1	18.6
Top Quintile	8.6	91.4	0.0	27.6	-46	-0.1	0.1	72.9	0.0	25.3
All	5.3	94.7	0.1	100.0	-33	-0.3	0.0	100.0	-0.1	21.2
Addendum										
Top 10 Percent	7.8	92.2	0.0	13.2	-44	-0.1	0.1	57.7	0.0	26.8
Top 5 Percent	6.5	93.5	0.0	5.7	-38	0.0	0.1	45.9	0.0	28.1
Top 1 Percent	3.8	96.2	0.0	0.7	-23	0.0	0.1	28.2	0.0	30.7
Top 0.5 Percent	2.8	97.2	0.0	0.3	-19	0.0	0.1	23.1	0.0	31.6
Top 0.1 Percent	2.0	98.0	0.0	0.0	-14	0.0	0.0	14.4	0.0	33.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2006¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Percent of Total	Share of Federal Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	28,860	19.6	7,727	265	7,462	3.4	2.4	2.9	0.4
Second Quintile	29,449	20.0	19,690	1,426	18,265	7.2	6.2	7.3	2.1
Middle Quintile	29,448	20.0	35,657	5,117	30,539	14.4	11.2	12.1	7.5
Fourth Quintile	29,448	20.0	62,346	11,603	50,743	18.6	19.5	20.2	17.0
Top Quintile	29,447	20.0	195,755	49,542	146,213	25.3	61.2	58.1	72.8
All	147,237	100.0	63,974	13,616	50,358	21.3	100.0	100.0	100.0
Addendum									
Top 10 Percent	14,724	10.0	292,372	78,452	213,920	26.8	45.7	42.5	57.6
Top 5 Percent	7,361	5.0	443,043	124,724	318,319	28.2	34.6	31.6	45.8
Top 1 Percent	1,472	1.0	1,248,587	383,126	865,461	30.7	19.5	17.2	28.1
Top 0.5 Percent	736	0.5	1,984,734	626,606	1,358,128	31.6	15.5	13.5	23.0
Top 0.1 Percent	147	0.1	5,889,414	1,955,717	3,933,697	33.2	9.2	7.8	14.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 3.6 Proposal: 3.6

(1) Baseline is current law without the child and dependent care tax credit (CDCTC). Proposal allows a fully refundable CDCTC.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) For the income levels at each quintile and the top income percentiles used in this table, see <http://www.taxpolicycenter.org/TaxModel/percentiles.cfm>

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.