

T07-0163
Options to Expand the Earned Income Tax Credit for Childless Workers
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2008-17¹

	Year											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-17	
Fiscal Year Revenue²												
Assuming No Change in Filing Behavior												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	-1.0	-4.8	-4.9	-4.9	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-44.4
Increase credit plus extend eligibility to filers between 21 and 24	-1.4	-6.9	-7.0	-7.1	-7.1	-7.1	-7.2	-7.2	-7.2	-7.2	-7.2	-65.4
Increase credit plus extend eligibility to filers between 18 and 24	-1.7	-8.7	-8.8	-9.0	-9.0	-9.1	-9.2	-9.2	-9.3	-9.3	-9.3	-83.3
Assuming All Eligible Tax Units File to Claim the Credit												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	-1.1	-5.4	-5.5	-5.6	-5.5	-5.5	-5.5	-5.6	-5.6	-5.6	-5.6	-50.9
Increase credit plus extend eligibility to filers between 21 and 24	-1.5	-7.6	-7.8	-7.9	-7.9	-7.9	-8.0	-8.0	-8.0	-8.1	-8.1	-72.6
Increase credit plus extend eligibility to filers between 18 and 24	-1.9	-9.4	-9.7	-9.9	-9.9	-10.0	-10.1	-10.1	-10.2	-10.3	-10.3	-91.5
Calendar Year Liability												
Assuming No Change in Filing Behavior												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	-4.8	-4.9	-4.9	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-48.3
Increase credit plus extend eligibility to filers between 21 and 24	-6.9	-7.0	-7.1	-7.1	-7.1	-7.2	-7.1	-7.2	-7.2	-7.2	-7.2	-71.1
Increase credit plus extend eligibility to filers between 18 and 24	-8.6	-8.8	-9.0	-9.0	-9.1	-9.2	-9.2	-9.2	-9.3	-9.3	-9.3	-90.8
Assuming All Eligible Filers Claim the Credit												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	-5.4	-5.5	-5.6	-5.5	-5.5	-5.5	-5.6	-5.6	-5.6	-5.6	-5.6	-55.4
Increase credit plus extend eligibility to filers between 21 and 24	-7.6	-7.7	-7.9	-7.8	-7.9	-8.0	-8.0	-8.0	-8.1	-8.1	-8.1	-79.1
Increase credit plus extend eligibility to filers between 18 and 24	-9.4	-9.6	-9.9	-9.8	-10.0	-10.1	-10.1	-10.2	-10.3	-10.3	-10.3	-99.7
Addenda: EITC Claimants with No Qualifying Children (millions)												
Current Law	4.3	4.2	4.1	3.8	3.7	3.6	3.6	3.5	3.4	3.3		
Assuming No Change in Filing Behavior												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	11.9	11.8	11.7	11.3	11.0	10.8	10.5	10.3	10.1	9.9		
Increase credit plus extend eligibility to filers between 21 and 24	16.1	16.1	16.1	15.6	15.3	15.1	14.7	14.3	14.1	13.8		
Increase credit plus extend eligibility to filers between 18 and 24	19.6	19.6	19.6	19.1	18.9	18.7	18.2	17.8	17.6	17.3		
Assuming All Eligible Filers Claim the Credit												
Extend phase-in range to \$11,180, increase phase-out threshold to \$14,000	12.8	12.7	12.6	12.2	12.0	11.7	11.5	11.2	11.0	10.8		
Increase credit plus extend eligibility to filers between 21 and 24	17.2	17.1	17.1	16.7	16.4	16.1	15.8	15.4	15.2	14.9		
Increase credit plus extend eligibility to filers between 18 and 24	20.8	20.8	20.8	20.4	20.2	19.9	19.5	19.1	18.8	18.6		

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

(1) Proposals are effective 01/01/08. Baseline is current law. Revenue and liability figures are in nominal dollars. Dollar amounts in the descriptions are presented in 2008 dollars and would be indexed for inflation. Proposals affect only tax units with no qualifying children and do not affect the addition to the phase-out threshold for joint returns or any other EITC parameters not shown. Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue.

(2) Fiscal-year revenue numbers assume a 20-80 split. The actual effect on receipts could differ.