

**T07-0328**  
**Earned Income Tax Credit Provisions in H.R. 3970: The Tax Reduction and Reform Act of 2007**  
**Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2008-17<sup>1</sup>**

	Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-17
<b>Fiscal Year Revenue<sup>2</sup></b>											
Assuming No Change in Filing Behavior	-0.5	-2.6	-2.6	-2.6	-2.6	-2.5	-2.5	-2.5	-2.5	-2.5	-23.6
Assuming All Eligible Tax Units File to Claim the Credit	-0.6	-3.0	-3.0	-3.0	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-27.0
<b>Calendar Year Liability</b>											
Assuming No Change in Filing Behavior	-2.6	-2.6	-2.7	-2.6	-2.6	-2.5	-2.5	-2.5	-2.5	-2.5	-25.6
Assuming All Eligible Tax Units File to Claim the Credit	-3.0	-3.0	-3.1	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-29.2
<b>Addenda: EITC Claimants with No Qualifying Children (millions)</b>											
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	6.5	6.3	6.3	5.9	5.7	5.6	5.5	5.4	5.3	5.1	
Assuming All Eligible Tax Units File to Claim the Credit	7.3	7.2	7.2	6.8	6.6	6.4	6.3	6.2	6.1	6.0	

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

(1) Proposal is effective 01/01/08. Baseline is current law. Proposal increases the EITC phase-in and phase-out rates for childless filers to 15.3 percent, increases the phase-out threshold for childless filers to \$10,900 in 2008 (indexed for inflation), and allows the EITC against the individual alternative minimum tax. Proposal affects only tax units with no qualifying children and does not affect the addition to the phase-out threshold for joint returns or any other EITC parameters not listed. 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.