

Table T08-0049
Individual Income Tax Measures in H.R. 5140:
The Recovery Rebates and Economic Stimulus for the American People Act of 2008
Beneficiaries (thousands) of Child Credit Component and Refundability, 2008 ^{1,2}

	All Tax Units			Tax Units with Qualifying Children ³			Tax Units with Earnings Between \$3,000 and \$12,000 ⁴			Tax Units with Qualifying Children and Earnings Between \$3,000 and \$12,000 ⁴		
	Number of Tax Units Benefiting (millions)	Number of Children Benefiting (millions)	Value of Benefits (\$ billions)	Number of Tax Units Benefiting (millions)	Number of Children Benefiting (millions)	Value of Benefits (\$ billions)	Number of Tax Units Benefiting (millions)	Number of Children Benefiting (millions)	Value of Benefits (\$ billions)	Number of Tax Units Benefiting (millions)	Number of Children Benefiting (millions)	Value of Benefits (\$ billions)
Refundable Amount of Child Component	19.1	34.2	9.8	19.1	34.2	9.8	4.1	6.3	1.9	4.1	6.3	1.9
Total Child Component	36.8	61.4	18.3	36.8	61.4	18.3	4.1	6.4	1.9	4.1	6.4	1.9
Refundable Amount of both Basic and Child Components	38.6	38.2	27.4	21.6	38.2	21.8	13.4	6.3	6.3	4.1	6.3	3.3
Total Basic and Child Components	113.8	61.4	100.0	36.8	61.4	46.5	15.2	6.4	8.1	4.1	6.4	3.4

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

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. The proposal provides a refundable basic credit equal to the greater of: (1) income tax liability net of non-refundable credits (other than the child tax credit) not to exceed \$600 (\$1,200 for married couples filing a joint return); and (2) \$300 (\$600 for joint returns) if the individual has: (a) at least \$3,000 of earned income; or (b) income tax liability net of non-refundable credits (other than the child tax credit) of at least \$1 and gross income greater than the sum of the applicable basic standard deduction and one personal exemption (2 exemptions for joint returns). For any tax unit with at least \$1 of basic credit, the proposal provides an additional, refundable, \$300 credit for each child-tax-credit-eligible child. The total value of the credit (basic plus child credit) is phased out at a rate of 5 percent of AGI in excess of \$75,000 for singles, \$150,000 for couples.

(2) Tax units that are dependents of other tax units are excluded from the analysis. Our estimates are based on 2008 incomes; the proposal actually allows the rebate to be based on 2007 income if it results in a higher amount. Our estimates assume that all non-filers who would benefit (those with earnings of at least \$3,000) would file to claim the credit.

(3) Qualifying children are those under the age of 17 who qualify for the child tax credit.

(4) Earnings include wages and salaries and self-employment income net of the deduction for self-employment taxes.