

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile, 2008 ¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	8.5	0.0	0.3	47.1	-31	-0.3	1.1
Second Quintile	9.7	0.0	0.2	48.6	-38	-0.1	8.2
Middle Quintile	0.8	0.0	0.0	3.6	-3	0.0	15.3
Fourth Quintile	0.1	0.0	0.0	0.3	0	0.0	18.9
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	27.6
All	4.5	0.0	0.0	100.0	-17	0.0	21.6
Addendum							
80-90	0.0	0.0	0.0	0.0	0	0.0	22.2
90-95	0.0	0.0	0.0	0.0	0	0.0	24.7
95-99	0.0	0.0	0.0	0.0	0	0.0	27.8
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	32.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	35.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

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

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2008 dollars): 20% \$18,555, 40% \$37,047, 60% \$65,104, 80% \$109,049, 90% \$156,987, 95% \$219,788, 99% \$574,125, 99.9% \$2,659,266.

(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile, 2008 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	8.5	0.0	0.3	47.1	-31	-22.2	-0.1	0.2	-0.3	1.1
Second Quintile	9.7	0.0	0.2	48.6	-38	-1.7	-0.1	3.2	-0.1	8.2
Middle Quintile	0.8	0.0	0.0	3.6	-3	0.0	0.0	10.0	0.0	15.3
Fourth Quintile	0.1	0.0	0.0	0.3	0	0.0	0.0	17.4	0.0	18.9
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	69.1	0.0	27.6
All	4.5	0.0	0.0	100.0	-17	-0.1	0.0	100.0	0.0	21.6
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	13.9	0.0	22.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.6	0.0	24.7
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.1	0.0	27.8
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	27.4	0.0	32.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.0	0.0	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2008 ¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	38,768	26.1	10,255	141	10,114	1.4	3.8	4.8	0.2
Second Quintile	32,566	21.9	26,909	2,243	24,666	8.3	8.3	9.8	3.2
Middle Quintile	29,765	20.1	49,890	7,625	42,264	15.3	14.1	15.3	10.0
Fourth Quintile	24,855	16.7	84,264	15,910	68,354	18.9	19.9	20.6	17.4
Top Quintile	21,821	14.7	260,346	71,762	188,584	27.6	54.1	50.0	69.0
All	148,478	100.0	70,734	15,289	55,444	21.6	100.0	100.0	100.0
Addendum									
80-90	11,018	7.4	128,945	28,634	100,311	22.2	13.5	13.4	13.9
90-95	5,347	3.6	182,799	45,062	137,737	24.7	9.3	9.0	10.6
95-99	4,353	2.9	320,421	89,014	231,407	27.8	13.3	12.2	17.1
Top 1 Percent	1,104	0.7	1,710,553	563,507	1,147,046	32.9	18.0	15.4	27.4
Top 0.1 Percent	112	0.1	7,913,937	2,837,788	5,076,149	35.9	8.4	6.9	14.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

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

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2008 dollars): 20% \$18,555, 40% \$37,047, 60% \$65,104, 80% \$109,049, 90% \$156,987, 95% \$219,788, 99% \$574,125, 99.9% \$2,659,266.

(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	14.7	0.0	0.6	74.2	-59	20.5	-0.1	-0.5	-0.6	-3.6
Second Quintile	6.2	0.0	0.1	24.1	-20	-1.4	0.0	1.9	-0.1	5.9
Middle Quintile	0.3	0.0	0.0	1.2	-1	0.0	0.0	7.8	0.0	13.8
Fourth Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	16.7	0.0	18.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	73.9	0.0	27.3
All	4.5	0.0	0.0	100.0	-17	-0.1	0.0	100.0	0.0	21.6
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.2	0.0	22.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	24.5
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	18.2	0.0	27.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	28.6	0.0	32.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.5	0.0	35.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	32,159	21.7	9,605	-290	9,895	-3.0	2.9	3.9	-0.4	
Second Quintile	30,690	20.7	24,186	1,445	22,741	6.0	7.1	8.5	2.0	
Middle Quintile	28,702	19.3	44,387	6,135	38,252	13.8	12.1	13.3	7.8	
Fourth Quintile	28,184	19.0	73,404	13,448	59,956	18.3	19.7	20.5	16.7	
Top Quintile	28,040	18.9	218,979	59,796	159,183	27.3	58.5	54.2	73.9	
All	148,478	100.0	70,734	15,289	55,444	21.6	100.0	100.0	100.0	
Addendum										
80-90	14,124	9.5	110,111	24,427	85,683	22.2	14.8	14.7	15.2	
90-95	7,080	4.8	154,908	37,953	116,955	24.5	10.4	10.1	11.8	
95-99	5,504	3.7	274,465	75,119	199,346	27.4	14.4	13.3	18.2	
Top 1 Percent	1,332	0.9	1,484,837	487,684	997,153	32.8	18.8	16.1	28.6	
Top 0.1 Percent	132	0.1	6,970,483	2,492,757	4,477,727	35.8	8.8	7.2	14.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,650, 40% \$23,904, 60% \$41,090, 80% \$66,031, 90% \$93,906, 95% \$132,035, 99% \$340,901, 99.9% \$1,598,156.

(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.8	0.0	0.1	82.4	-9	-3.6	0.0	0.8	-0.1	3.4
Second Quintile	0.8	0.0	0.0	17.3	-2	-0.2	0.0	4.3	0.0	8.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	11.8	0.0	16.3
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	20.3	0.0	20.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	62.6	0.0	28.4
All	1.0	0.0	0.0	100.0	-3	0.0	0.0	100.0	0.0	21.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.5	0.0	23.7
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.3	0.0	25.8
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	14.8	0.0	28.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	21.0	0.0	36.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	10.4	0.0	40.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	17,953	27.9	7,316	256	7,060	3.5	5.2	6.4	0.8
Second Quintile	14,696	22.9	18,245	1,604	16,640	8.8	10.6	12.3	4.3
Middle Quintile	12,229	19.0	32,190	5,253	26,938	16.3	15.6	16.6	11.8
Fourth Quintile	10,436	16.2	52,353	10,601	41,752	20.3	21.6	21.9	20.3
Top Quintile	8,576	13.4	139,989	39,758	100,231	28.4	47.4	43.3	62.6
All	64,251	100.0	39,395	8,479	30,916	21.5	100.0	100.0	100.0
Addendum									
80-90	4,563	7.1	78,239	18,530	59,709	23.7	14.1	13.7	15.5
90-95	2,174	3.4	109,842	28,292	81,550	25.8	9.4	8.9	11.3
95-99	1,517	2.4	189,475	53,123	136,352	28.0	11.4	10.4	14.8
Top 1 Percent	323	0.5	983,151	354,162	628,989	36.0	12.5	10.2	21.0
Top 0.1 Percent	28	0.0	4,967,612	1,997,628	2,969,984	40.2	5.6	4.2	10.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

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

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(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	20.2	0.0	0.7	76.1	-93	18.8	0.0	-0.3	-0.7	-4.6
Second Quintile	5.1	0.0	0.1	20.7	-20	-1.2	0.0	0.9	-0.1	5.2
Middle Quintile	0.3	0.0	0.0	1.6	-1	0.0	0.0	4.8	0.0	12.1
Fourth Quintile	0.1	0.0	0.0	0.4	0	0.0	0.0	14.4	0.0	17.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	80.0	0.0	27.0
All	3.1	0.0	0.0	100.0	-14	-0.1	0.0	100.0	0.0	22.7
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.2	0.0	21.6
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	12.6	0.0	24.1
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	20.2	0.0	27.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	32.0	0.0	32.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	16.0	0.0	34.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	6,583	11.2	12,788	-496	13,285	-3.9	1.2	1.6	-0.2
Second Quintile	8,471	14.4	31,050	1,636	29,415	5.3	3.8	4.7	0.9
Middle Quintile	10,966	18.6	57,143	6,921	50,222	12.1	9.1	10.3	4.8
Fourth Quintile	14,670	24.9	89,205	15,431	73,774	17.3	18.9	20.3	14.4
Top Quintile	17,905	30.4	259,469	70,028	189,441	27.0	67.3	63.5	79.9
All	58,860	100.0	117,369	26,655	90,714	22.7	100.0	100.0	100.0
Addendum									
80-90	8,591	14.6	128,349	27,689	100,661	21.6	16.0	16.2	15.2
90-95	4,613	7.8	177,414	42,756	134,659	24.1	11.9	11.6	12.6
95-99	3,749	6.4	311,038	84,671	226,367	27.2	16.9	15.9	20.2
Top 1 Percent	953	1.6	1,635,819	526,119	1,109,700	32.2	22.6	19.8	32.0
Top 0.1 Percent	96	0.2	7,460,582	2,605,365	4,855,218	34.9	10.4	8.8	16.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

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

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(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	39.4	0.0	1.1	72.1	-153	10.4	-1.2	-11.1	-1.2	-13.1
Second Quintile	18.7	0.0	0.2	26.6	-58	-7.2	-0.3	5.0	-0.2	2.6
Middle Quintile	1.0	0.0	0.0	1.1	-3	-0.1	0.4	28.9	0.0	13.7
Fourth Quintile	0.1	0.0	0.0	0.1	-1	0.0	0.5	32.0	0.0	19.4
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.6	45.2	0.0	26.2
All	18.7	0.0	0.2	100.0	-68	-1.4	0.0	100.0	-0.2	12.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.2	16.1	0.0	23.4
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	6.8	0.0	24.7
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	9.7	0.0	26.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	12.6	0.0	32.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	6.1	0.0	35.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	7,356	32.2	12,388	-1,474	13,862	-11.9	10.3	13.2	-9.9
Second Quintile	7,113	31.1	28,419	810	27,609	2.9	22.9	25.4	5.3
Middle Quintile	4,790	21.0	47,405	6,500	40,906	13.7	25.7	25.3	28.5
Fourth Quintile	2,462	10.8	72,480	14,028	58,452	19.4	20.2	18.6	31.6
Top Quintile	1,097	4.8	169,286	44,366	124,919	26.2	21.0	17.7	44.5
All	22,867	100.0	38,616	4,783	33,833	12.4	100.0	100.0	100.0
Addendum									
80-90	704	3.1	105,000	24,560	80,441	23.4	8.4	7.3	15.8
90-95	208	0.9	142,591	35,191	107,400	24.7	3.4	2.9	6.7
95-99	155	0.7	259,445	67,883	191,561	26.2	4.5	3.8	9.6
Top 1 Percent	31	0.1	1,363,621	440,070	923,552	32.3	4.8	3.7	12.4
Top 0.1 Percent	3	0.0	6,874,920	2,415,567	4,459,353	35.1	2.1	1.6	6.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

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

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,650, 40% \$23,904, 60% \$41,090, 80% \$66,031, 90% \$93,906, 95% \$132,035, 99% \$340,901, 99.9% \$1,598,156.

(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	45.8	0.0	1.2	73.8	-188	9.8	-0.2	-2.2	-1.4	-15.5
Second Quintile	17.6	0.0	0.2	24.4	-59	-6.8	-0.1	0.9	-0.2	2.5
Middle Quintile	0.7	0.0	0.0	1.1	-3	0.0	0.0	9.0	0.0	13.3
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.1	19.3	0.0	18.9
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	72.9	0.0	27.8
All	13.0	0.0	0.1	100.0	-51	-0.3	0.0	100.0	-0.1	20.8
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	16.0	0.0	23.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.6	0.0	25.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	18.2	0.0	28.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	27.1	0.0	32.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.3	0.0	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	9,488	19.8	13,554	-1,918	15,473	-14.2	3.0	4.3	-2.0
Second Quintile	10,040	21.0	32,307	860	31,447	2.7	7.5	9.2	1.0
Middle Quintile	10,405	21.8	58,726	7,804	50,923	13.3	14.1	15.4	9.0
Fourth Quintile	9,502	19.9	96,899	18,263	78,636	18.9	21.2	21.8	19.2
Top Quintile	8,242	17.2	286,677	79,595	207,083	27.8	54.5	49.7	72.7
All	47,814	100.0	90,679	18,872	71,807	20.8	100.0	100.0	100.0
Addendum									
80-90	4,273	8.9	146,161	33,604	112,557	23.0	14.4	14.0	15.9
90-95	1,991	4.2	206,543	52,543	153,999	25.4	9.5	8.9	11.6
95-99	1,592	3.3	367,015	102,819	264,196	28.0	13.5	12.3	18.1
Top 1 Percent	386	0.8	1,925,687	632,962	1,292,725	32.9	17.1	14.5	27.1
Top 0.1 Percent	37	0.1	9,056,114	3,189,759	5,866,354	35.2	7.8	6.4	13.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,650, 40% \$23,904, 60% \$41,090, 80% \$66,031, 90% \$93,906, 95% \$132,035, 99% \$340,901, 99.9% \$1,598,156.

(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.

Table T08-0091
Reduce Child Tax Credit Refundability Threshold to \$8,500
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.6	0.0	0.0	56.0	-2	16.5	0.0	0.0	0.0	-0.2
Second Quintile	0.3	0.0	0.0	35.9	-1	-0.2	0.0	1.1	0.0	2.7
Middle Quintile	0.1	0.0	0.0	8.0	0	0.0	0.0	2.5	0.0	5.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	11.0	0.0	12.0
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	85.4	0.0	27.5
All	0.2	0.0	0.0	100.0	-1	0.0	0.0	100.0	0.0	20.0
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	11.3	0.0	18.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.2	0.0	21.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.2	0.0	27.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	42.7	0.0	35.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	21.8	0.0	38.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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 Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	5,704	20.3	9,493	-14	9,507	-0.1	2.8	3.5	0.0
Second Quintile	7,519	26.8	20,219	541	19,678	2.7	7.9	9.6	1.1
Middle Quintile	4,252	15.1	39,996	2,279	37,717	5.7	8.8	10.4	2.5
Fourth Quintile	5,320	18.9	66,366	7,965	58,401	12.0	18.4	20.2	11.0
Top Quintile	5,291	18.8	226,212	62,196	164,017	27.5	62.2	56.4	85.4
All	28,106	100.0	68,466	13,714	54,752	20.0	100.0	100.0	100.0
Addendum									
80-90	2,418	8.6	100,343	18,027	82,316	18.0	12.6	12.9	11.3
90-95	1,312	4.7	140,194	30,012	110,182	21.4	9.6	9.4	10.2
95-99	1,204	4.3	250,263	67,670	182,593	27.0	15.7	14.3	21.2
Top 1 Percent	356	1.3	1,317,254	462,461	854,794	35.1	24.4	19.8	42.7
Top 0.1 Percent	36	0.1	6,084,161	2,328,254	3,755,907	38.3	11.4	8.8	21.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-4).

Number of AMT Taxpayers (millions). Baseline: 26.9 Proposal: 26.9

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law, proposal reduces the threshold for refundability of the child tax credit from \$12,050 to \$8,500.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,650, 40% \$23,904, 60% \$41,090, 80% \$66,031, 90% \$93,906, 95% \$132,035, 99% \$340,901, 99.9% \$1,598,156.

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