T08-0092
Options to Expand the Child Tax Credit
Static Impact on Individual Income Tax Liability and Revenue ($ billions)

	2008
Fiscal Year Revenue[2]	
De-index refundability threshold at 2008 level ($12,050)	0.0
Set refundability threshold to $10,000 and de-index	-0.3
Set refundability threshold to $8,500 and de-index	-0.5
Set refundability threshold to $0	-1.7
Allow full refundability regardless of income	-2.4
Calendar Year Liability	
De-index refundability threshold at 2008 level ($12,050)	0.0
Set refundability threshold to $10,000 and de-index	-1.5
Set refundability threshold to $8,500 and de-index	-2.6
Set refundability threshold to $0	-8.5
Allow full refundability regardless of income	-12.0
Addenda:	
Kids Newly Eligible for the Refundable Child Credit (millions)[5]	
De-index refundability threshold at 2008 level ($12,050)	0.0
Set refundability threshold to $10,000 and de-index	1.3
Set refundability threshold to $8,500 and de-index	2.4
Set refundability threshold to $0	6.3
Allow full refundability regardless of income	6.7
Kids with Increased Refundable Child Credit (millions)[4]	
De-index refundability threshold at 2008 level ($12,050)	0.0
Set refundability threshold to $10,000 and de-index	10.5
Set refundability threshold to $8,500 and de-index	10.5
Set refundability threshold to $0	10.7
Allow full refundability regardless of income	10.7

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

(1) Proposals are effective 01/01/08 and sunset 12/31/10. Baseline is current law. Revenue and liability figures are in nominal account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would

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

(3) Kids newly eligible for the refundable child credit includes all children potentially eligible for the child credit on returns cl child credit under the proposal but not in the baseline.

(4) Kids with increased refundable child credit includes all children potentially eligible for the child credit on returns claiming credit in the baseline and a larger value under the proposal.

), 2008-11[1]

2009	2010	2011	2008-11
-0.1	-0.3	-0.4	-0.7
-1.5	-1.8	-1.5	-5.2
-2.6	-2.9	-2.4	-8.5
-8.6	-8.7	-6.8	-25.8
-12.0	-12.0	-9.4	-35.8
-0.3	-0.5	0.0	-0.7
-1.8	-1.9	0.0	-5.2
-2.9	-3.0	0.0	-8.5
-8.7	-8.5	0.0	-25.8
-12.1	-11.7	0.0	-35.8
0.2	0.4		
1.4	1.6		
2.6	2.7		
6.3	6.2		
6.7	6.6		
10.1	9.7		
10.2	9.7		
10.2	9.7		
10.4	9.9		
10.4	9.9		

. dollars. Estimates are static and do not
d likely show a somewhat different effect on

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g a non-zero value for the refundable child