

**Table T09-0007**  
**Repeal Age Limitations on Childless EITC Under Current Law, Tax Units 65 and Older**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Less than 10</b>	6.2	0.0	0.3	67.5	-20	-0.3	2.9
<b>10-20</b>	1.9	0.0	0.0	26.3	-3	0.0	2.6
<b>20-30</b>	0.2	0.0	0.0	1.7	0	0.0	5.5
<b>30-40</b>	0.6	0.4	0.0	2.1	-1	0.0	6.6
<b>40-50</b>	0.2	0.1	0.0	0.9	0	0.0	8.3
<b>50-75</b>	0.0	0.0	0.0	0.0	0	0.0	11.9
<b>75-100</b>	0.1	0.0	0.0	0.5	0	0.0	14.9
<b>100-200</b>	0.0	0.0	0.0	0.0	0	0.0	19.2
<b>200-500</b>	0.0	0.0	0.0	0.0	0	0.0	24.4
<b>500-1,000</b>	0.0	0.0	0.0	0.0	0	0.0	27.3
<b>More than 1,000</b>	0.0	0.0	0.0	0.0	0	0.0	31.4
<b>All</b>	1.2	0.1	0.0	100.0	-3	0.0	19.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Support for these estimates was provided by the AARP Public Policy Institute.

(1) Calendar year. Baseline is current law. The proposal removes the age limits on childless EITC eligibility and assumes that non-taxable social security benefits are included in AGI for the purposes of determining the phase-out of the childless EITC. Tax units under the age of 25 are ineligible for the childless EITC if they are full time students. Married filing joint tax units are ineligible if both are under the age of 25 and both are full time students. Age refers to the age of the head of the tax unit.

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

(4) 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.

(5) 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.

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**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	6.2	0.0	0.3	67.5	-20	-9.7	0.0	0.1	-0.3	2.9
10-20	1.9	0.0	0.0	26.3	-3	-0.8	0.0	0.7	0.0	2.6
20-30	0.2	0.0	0.0	1.7	0	0.0	0.0	1.4	0.0	5.5
30-40	0.6	0.4	0.0	2.1	-1	0.0	0.0	1.3	0.0	6.6
40-50	0.2	0.1	0.0	0.9	0	0.0	0.0	1.7	0.0	8.3
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	7.3	0.0	11.9
75-100	0.1	0.0	0.0	0.5	0	0.0	0.0	7.5	0.0	14.9
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	19.4	0.0	19.2
200-500	0.0	0.0	0.0	0.0	0	0.0	0.0	18.5	0.0	24.4
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	10.4	0.0	27.3
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	31.7	0.0	31.4
All	1.2	0.1	0.0	100.0	-3	0.0	0.0	100.0	0.0	19.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	2,825	10.2	6,565	207	6,358	3.2	0.9	1.1	0.2
10-20	6,696	24.2	15,148	404	14,744	2.7	5.0	6.0	0.7
20-30	4,054	14.7	24,920	1,365	23,554	5.5	4.9	5.8	1.4
30-40	2,143	7.7	35,218	2,339	32,878	6.6	3.7	4.3	1.3
40-50	1,684	6.1	45,998	3,828	42,171	8.3	3.8	4.3	1.7
50-75	3,793	13.7	63,239	7,522	55,716	11.9	11.7	12.8	7.3
75-100	2,245	8.1	88,118	13,089	75,028	14.9	9.7	10.2	7.5
100-200	2,873	10.4	137,683	26,361	111,321	19.2	19.3	19.3	19.4
200-500	988	3.6	300,179	73,328	226,851	24.4	14.5	13.6	18.5
500-1,000	215	0.8	695,023	189,367	505,656	27.3	7.3	6.6	10.4
More than 1,000	124	0.5	3,177,009	998,565	2,178,444	31.4	19.3	16.4	31.7
All	27,681	100.0	73,874	14,142	59,732	19.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Support for these estimates was provided by the AARP Public Policy Institute.

(1) Calendar year. Baseline is current law. The proposal removes the age limits on childless EITC eligibility and assumes that non-taxable social security benefits are included in AGI for the purposes of determining the phase-out of the childless EITC. Tax units under the age of 25 are ineligible for the childless EITC if they are full time students. Married filing joint tax units are ineligible if both are under the age of 25 and both are full time students. Age refers to the age of the head of the tax unit.

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