

Table T09-0013
Repeal Age Limitations on Childless EITC Under President-elect Obama's Plan, All Tax Units
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Summary Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	7.9	0.0	0.6	41.9	-30	-0.5	4.6
10-20	7.2	0.1	0.2	57.0	-29	-0.2	4.0
20-30	1.7	0.4	0.0	2.3	-1	0.0	9.1
30-40	0.1	0.4	0.0	-0.6	1	0.0	13.1
40-50	0.0	0.3	0.0	-0.7	1	0.0	15.8
50-75	0.0	0.1	0.0	-0.4	0	0.0	17.9
75-100	0.0	0.0	0.0	0.1	0	0.0	19.7
100-200	0.0	0.0	0.0	0.0	0	0.0	22.8
200-500	0.0	0.0	0.0	0.0	0	0.0	26.0
500-1,000	0.0	0.0	0.0	0.0	0	0.0	26.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	30.3
All	2.3	0.1	0.0	100.0	-8	0.0	21.6

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

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

Number of AMT Taxpayers (millions). Baseline: 30.3

Proposal: 30.3

(1) Calendar year. Baseline is President-elect Obama's expansion of the childless EITC fully phased in. Obama's plan increases the value of the childless credit by raising the maximum value of the credit to \$550 by 2012 (\$520 in 2009 dollars). 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.

(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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Repeal Age Limitations on Childless EITC Under President-elect Obama's Plan, All Tax Units
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	7.9	0.0	0.6	41.9	-30	-10.1	0.0	0.2	-0.5	4.6
10-20	7.2	0.1	0.2	57.0	-29	-4.5	0.0	0.6	-0.2	4.0
20-30	1.7	0.4	0.0	2.3	-1	-0.1	0.0	1.8	0.0	9.1
30-40	0.1	0.4	0.0	-0.6	1	0.0	0.0	2.7	0.0	13.1
40-50	0.0	0.3	0.0	-0.7	1	0.0	0.0	3.5	0.0	15.8
50-75	0.0	0.1	0.0	-0.4	0	0.0	0.0	10.0	0.0	17.9
75-100	0.0	0.0	0.0	0.1	0	0.0	0.0	10.1	0.0	19.7
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	25.4	0.0	22.8
200-500	0.0	0.0	0.0	0.0	0	0.0	0.0	17.5	0.0	26.0
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	7.5	0.0	26.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	20.6	0.0	30.3
All	2.3	0.1	0.0	100.0	-8	-0.1	0.0	100.0	0.0	21.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	17,204	11.5	5,704	294	5,410	5.2	0.9	1.1	0.2
10-20	24,101	16.0	15,181	642	14,539	4.2	3.2	4.0	0.6
20-30	19,493	13.0	25,314	2,306	23,009	9.1	4.4	5.1	1.8
30-40	14,384	9.6	35,555	4,657	30,898	13.1	4.5	5.0	2.7
40-50	11,749	7.8	45,838	7,231	38,606	15.8	4.8	5.1	3.5
50-75	21,662	14.4	63,039	11,298	51,741	17.9	12.1	12.7	10.0
75-100	14,107	9.4	88,790	17,493	71,296	19.7	11.1	11.4	10.1
100-200	19,712	13.1	138,154	31,465	106,689	22.8	24.1	23.7	25.3
200-500	5,636	3.8	291,886	75,924	215,962	26.0	14.5	13.7	17.5
500-1,000	989	0.7	695,069	186,351	508,718	26.8	6.1	5.7	7.5
More than 1,000	519	0.4	3,199,967	970,745	2,229,222	30.3	14.7	13.1	20.6
All	150,241	100.0	75,289	16,296	58,993	21.6	100.0	100.0	100.0

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

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