

Table T09-0022
Repeal Age Limitations on Childless EITC
Static Impact on Individual Income Tax Revenue (\$ billions), 2009-18¹

	Fiscal Year											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-18	
Baseline: Current Law²	-0.1	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-5.4
Baseline: President-elect Obama's EITC Plan³	-0.2	-0.8	-1.0	-1.2	-1.3	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-11.5

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

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

(1) Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue. Estimates assume a 20-80 fiscal split.

(2) 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.

(3) Baseline is current law plus President-elect Obama's expansion of the childless EITC, which increases the value of the childless credit by raising the phase-in threshold to \$6,300 in 2009, \$6,800 in 2010, \$7,100 in 2011, and \$7,250 in 2012. The phase-out threshold is \$9,820 in 2009, \$10,875 in 2010, \$13,325 in 2011, and \$14,500 in 2012. Both thresholds are indexed for inflation after 2012. 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.