

Table T09-0005
Repeal Age Limitations on Childless EITC Under Current Law, Tax Units Under 25 Years of Age
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	26.8	0.0	1.7	78.4	-86	-1.5	8.1
10-20	16.9	0.0	0.2	21.2	-27	-0.2	9.2
20-30	0.1	0.0	0.0	0.1	0	0.0	13.7
30-40	0.0	0.0	0.0	0.0	0	0.0	17.5
40-50	0.0	0.0	0.0	0.0	0	0.0	19.4
50-75	0.0	0.0	0.0	0.0	0	0.0	20.0
75-100	0.0	0.0	0.0	0.0	0	0.0	21.6
100-200	0.0	0.0	0.0	0.0	0	0.0	24.1
200-500	0.0	0.0	0.0	0.0	0	0.0	25.1
500-1,000	0.0	0.0	0.0	0.0	0	0.0	26.3
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	28.3
All	12.4	0.0	0.2	100.0	-33	-0.1	17.4

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.

Table T09-0005
Repeal Age Limitations on Childless EITC Under Current Law, Tax Units Under 25 Years of Age
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	26.8	0.0	1.7	78.4	-86	-15.7	-0.5	3.0	-1.5	8.1
10-20	16.9	0.0	0.2	21.2	-27	-1.9	-0.1	7.9	-0.2	9.2
20-30	0.1	0.0	0.0	0.1	0	0.0	0.1	14.1	0.0	13.7
30-40	0.0	0.0	0.0	0.0	0	0.0	0.1	13.6	0.0	17.5
40-50	0.0	0.0	0.0	0.0	0	0.0	0.1	11.4	0.0	19.4
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	16.1	0.0	20.0
75-100	0.0	0.0	0.0	0.0	0	0.0	0.1	7.3	0.0	21.6
100-200	0.0	0.0	0.0	0.0	0	0.0	0.1	8.4	0.0	24.1
200-500	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	25.1
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	2.8	0.0	26.3
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.1	9.7	0.0	28.3
All	12.4	0.0	0.2	100.0	-33	-0.7	0.0	100.0	-0.1	17.4

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	Share of Post-	Share of
	Number (thousands)	Percent of Total					Income	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	4,449	29.8	5,722	549	5,173	9.6	6.5	7.1	3.6
10-20	3,851	25.8	15,035	1,414	13,621	9.4	14.8	16.2	8.0
20-30	2,770	18.6	25,186	3,458	21,728	13.7	17.8	18.6	14.0
30-40	1,503	10.1	35,364	6,169	29,194	17.5	13.6	13.6	13.6
40-50	879	5.9	45,526	8,828	36,697	19.4	10.2	10.0	11.3
50-75	897	6.0	61,129	12,221	48,908	20.0	14.0	13.6	16.0
75-100	262	1.8	87,258	18,847	68,412	21.6	5.8	5.5	7.2
100-200	177	1.2	134,290	32,352	101,939	24.1	6.1	5.6	8.4
200-500	50	0.3	299,427	75,030	224,397	25.1	3.9	3.5	5.5
500-1,000	10	0.1	716,596	188,121	528,475	26.3	1.8	1.6	2.7
More than 1,000	8	0.1	3,009,150	850,357	2,158,793	28.3	6.0	5.2	9.6
All	14,933	100.0	26,236	4,585	21,651	17.5	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.

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