

T09-0057

Expansion of Earned Income Tax Credit (EITC) in "American Recovery and Reinvestment Tax Act" As Reported by Ways and Means Committee

Number of Beneficiaries by Earned Income, 2009 ¹

	Earned Income										
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40-45	45-50	Total
Recipients Under Current Law											
Tax Units (thousands)	2,642	4,145	3,924	2,907	2,736	2,698	2,210	1,000	305	0	22,567
Number of qualifying children (thousands) ²	1,597	3,279	4,549	4,854	4,622	4,458	3,846	2,200	833	0	30,238
Recipients Under Ways and Means Proposal											
Tax Units (thousands)	2,655	4,152	3,949	2,980	2,738	2,705	2,224	1,143	584	87	23,215
Number of qualifying children (thousands)	1,602	3,280	4,556	4,861	4,627	4,477	3,869	2,400	1,627	304	31,603
Change Due to Ways and Means Proposal											
Tax Units (thousands)	13	7	25	73	2	7	14	143	279	87	648
Number of qualifying children (thousands)	5	1	7	7	5	19	23	200	794	304	1,365

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

(1) Provisions would: increase the credit percentage for families with three or more qualifying children to 45 percent and increase the threshold phase-out amount for joint filers to \$5,000 above the phase-out threshold for single and head of household tax units (indexed for inflation after 2009).

(2) Includes all children that meet the eligibility requirements for the EITC in tax units receiving the credit (so this number can exceed 2 under current law, for example).