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**Table T09-0090**  
**Reduce Child Tax Credit Refundability Threshold to \$3,000**  
**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2009 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
<b>Lowest Quintile</b>	12.2	0.0	0.7	70.6	-67	-0.6	3.7
<b>Second Quintile</b>	5.8	0.0	0.1	26.4	-30	-0.1	10.4
<b>Middle Quintile</b>	0.5	0.0	0.0	2.3	-3	0.0	16.8
<b>Fourth Quintile</b>	0.1	0.0	0.0	0.3	0	0.0	19.8
<b>Top Quintile</b>	0.0	0.0	0.0	0.1	0	0.0	26.2
<b>All</b>	4.6	0.0	0.0	100.0	-25	0.0	21.6
<b>Addendum</b>							
<b>80-90</b>	0.0	0.0	0.0	0.1	0	0.0	22.7
<b>90-95</b>	0.0	0.0	0.0	0.0	0	0.0	24.4
<b>95-99</b>	0.0	0.0	0.0	0.0	0	0.0	26.4
<b>Top 1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	29.6
<b>Top 0.1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	31.3

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

Number of AMT Taxpayers (millions). Baseline: 30.339

Proposal: 30.338

(1) Calendar year. Baseline is current law with threshold reduced to \$8,100, proposal is to reduce the earnings refundability threshold for the CTC to \$3,000.

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2008 dollars): 20% \$18,981, 40% \$37,595, 60% \$66,354, 80% \$111,645, 90% \$160,972, 95% \$226,918, 99% \$603,402, 99.9% \$2,871,682.

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

(5) 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.

(6) 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 T09-0090**  
**Reduce Child Tax Credit Refundability Threshold to \$3,000**  
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**Distribution of Federal Tax Change by Cash Income Percentile, 2009<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	12.2	0.0	0.7	70.6	-67	-14.7	-0.1	0.6	-0.6	3.7
Second Quintile	5.8	0.0	0.1	26.4	-30	-1.0	0.0	3.9	-0.1	10.4
Middle Quintile	0.5	0.0	0.0	2.3	-3	0.0	0.0	10.7	0.0	16.8
Fourth Quintile	0.1	0.0	0.0	0.3	0	0.0	0.0	17.9	0.0	19.8
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	66.7	0.0	26.2
All	4.6	0.0	0.0	100.0	-25	-0.2	0.0	100.0	0.0	21.6
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	14.1	0.0	22.7
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.4	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	16.4	0.0	26.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	25.8	0.0	29.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	31.3

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

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	39,102	26.0	10,744	460	10,285	4.3	3.7	4.5	0.7	
Second Quintile	32,942	21.9	28,057	2,935	25,121	10.5	8.2	9.3	4.0	
Middle Quintile	30,075	20.0	51,924	8,714	43,210	16.8	13.8	14.7	10.7	
Fourth Quintile	25,152	16.7	87,992	17,415	70,578	19.8	19.6	20.0	17.9	
Top Quintile	22,287	14.8	279,244	73,229	206,015	26.2	55.0	51.8	66.6	
All	150,241	100.0	75,289	16,305	58,983	21.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	11,264	7.5	135,143	30,642	104,501	22.7	13.5	13.3	14.1	
90-95	5,439	3.6	192,266	46,915	145,351	24.4	9.3	8.9	10.4	
95-99	4,454	3.0	340,985	89,899	251,086	26.4	13.4	12.6	16.3	
Top 1 Percent	1,131	0.8	1,889,937	558,384	1,331,553	29.6	18.9	17.0	25.8	
Top 0.1 Percent	114	0.1	8,929,410	2,798,307	6,131,103	31.3	9.0	7.9	13.0	

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

Number of AMT Taxpayers (millions). Baseline: 30.339

Proposal: 30.338

(1) Calendar year. Baseline is current law with threshold reduced to \$8,100, proposal is to reduce the earnings refundability threshold for the CTC to \$3,000.

(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

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

(5) 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.

(6) 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 T09-0090**  
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**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	18.5	0.0	1.0	89.3	-103	-286.1	-0.1	-0.1	-1.0	-0.7
Second Quintile	2.5	0.0	0.1	9.0	-11	-0.5	0.0	2.7	0.0	8.4
Middle Quintile	0.3	0.0	0.0	1.1	-1	0.0	0.0	8.6	0.0	15.7
Fourth Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	17.4	0.0	19.5
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	71.2	0.0	26.0
All	4.6	0.0	0.0	100.0	-25	-0.2	0.0	100.0	0.0	21.6
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.3	0.0	22.7
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.6	0.0	24.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.4	0.0	26.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	26.9	0.0	29.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.6	0.0	31.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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	Percent of Total	
Lowest Quintile	32,429	21.6	10,059	36	10,023	0.4	2.9	3.7	0.1	
Second Quintile	30,972	20.6	25,261	2,139	23,122	8.5	6.9	8.1	2.7	
Middle Quintile	29,186	19.4	46,073	7,240	38,833	15.7	11.9	12.8	8.6	
Fourth Quintile	28,494	19.0	76,773	14,942	61,830	19.5	19.3	19.9	17.4	
Top Quintile	28,475	19.0	235,357	61,187	174,170	26.0	59.3	56.0	71.1	
All	150,241	100.0	75,289	16,305	58,983	21.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	14,316	9.5	115,555	26,212	89,342	22.7	14.6	14.4	15.3	
90-95	7,191	4.8	163,422	39,476	123,946	24.2	10.4	10.1	11.6	
95-99	5,606	3.7	292,160	75,889	216,271	26.0	14.5	13.7	17.4	
Top 1 Percent	1,362	0.9	1,640,591	482,916	1,157,676	29.4	19.8	17.8	26.9	
Top 0.1 Percent	135	0.1	7,862,950	2,460,647	5,402,303	31.3	9.4	8.2	13.6	

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

Number of AMT Taxpayers (millions). Baseline: 30.339 Proposal: 30.338

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(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

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

(5) 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.

(6) 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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**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	4.6	0.0	0.3	93.6	-24	-4.8	-0.1	1.5	-0.3	6.3
Second Quintile	0.4	0.0	0.0	6.0	-2	-0.1	0.0	5.2	0.0	10.8
Middle Quintile	0.0	0.0	0.0	0.3	0	0.0	0.0	12.8	0.0	17.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	20.6	0.0	20.8
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	59.7	0.0	26.4
All	1.4	0.0	0.0	100.0	-7	-0.1	0.0	100.0	0.0	21.4
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.3	0.0	23.5
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.7	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	13.9	0.0	25.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	19.9	0.0	31.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	9.9	0.0	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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	Percent of Total	
Lowest Quintile	17,979	27.7	7,650	503	7,147	6.6	5.0	6.0	1.6	
Second Quintile	14,788	22.8	19,082	2,068	17,015	10.8	10.3	11.7	5.2	
Middle Quintile	12,570	19.4	33,514	5,946	27,569	17.7	15.4	16.1	12.8	
Fourth Quintile	10,552	16.2	54,870	11,411	43,459	20.8	21.2	21.4	20.6	
Top Quintile	8,719	13.4	151,432	39,958	111,475	26.4	48.3	45.3	59.7	
All	64,958	100.0	42,053	8,988	33,064	21.4	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	4,605	7.1	82,197	19,332	62,864	23.5	13.9	13.5	15.3	
90-95	2,193	3.4	116,199	28,380	87,819	24.4	9.3	9.0	10.7	
95-99	1,584	2.4	201,882	51,224	150,659	25.4	11.7	11.1	13.9	
Top 1 Percent	338	0.5	1,087,643	343,531	744,112	31.6	13.5	11.7	19.9	
Top 0.1 Percent	30	0.1	5,550,592	1,927,489	3,623,103	34.7	6.1	5.0	9.9	

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

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

(5) 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.

(6) 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 T09-0090**  
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**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	19.2	0.0	0.8	83.2	-112	-2,799.6	0.0	0.0	-0.8	-0.8
Second Quintile	2.7	0.0	0.0	12.9	-13	-0.5	0.0	1.3	0.0	7.9
Middle Quintile	0.3	0.0	0.0	1.9	-2	0.0	0.0	5.6	0.0	14.3
Fourth Quintile	0.1	0.0	0.0	0.6	0	0.0	0.0	15.4	0.0	18.7
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	77.7	0.0	25.9
All	2.6	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	22.6
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.5	0.0	22.3
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	12.5	0.0	24.0
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	19.5	0.0	26.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	30.1	0.0	29.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	15.0	0.0	30.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	6,621	11.1	13,343	4	13,339	0.0	1.2	1.5	0.0	
Second Quintile	8,578	14.4	32,397	2,580	29,817	8.0	3.7	4.4	1.3	
Middle Quintile	11,027	18.5	59,438	8,505	50,933	14.3	8.8	9.8	5.6	
Fourth Quintile	14,829	24.9	93,284	17,455	75,829	18.7	18.6	19.5	15.4	
Top Quintile	18,163	30.5	278,505	72,051	206,454	25.9	68.0	65.1	77.6	
All	59,479	100.0	125,155	28,337	96,818	22.6	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	8,717	14.7	134,567	30,028	104,539	22.3	15.8	15.8	15.5	
90-95	4,700	7.9	186,829	44,909	141,920	24.0	11.8	11.6	12.5	
95-99	3,780	6.4	332,302	86,888	245,414	26.2	16.9	16.1	19.5	
Top 1 Percent	965	1.6	1,813,978	525,568	1,288,411	29.0	23.5	21.6	30.1	
Top 0.1 Percent	97	0.2	8,464,842	2,593,746	5,871,096	30.6	11.1	9.9	15.0	

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

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(5) 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.

(6) 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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**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	51.1	0.0	2.0	90.7	-285	26.3	-1.8	-8.1	-2.2	-10.6
Second Quintile	6.7	0.0	0.1	8.2	-27	-1.6	0.0	9.3	-0.1	5.6
Middle Quintile	0.7	0.0	0.0	0.9	-4	-0.1	0.5	29.1	0.0	15.5
Fourth Quintile	0.1	0.0	0.0	0.1	-1	0.0	0.5	29.7	0.0	20.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.7	39.9	0.0	25.3
All	18.8	0.0	0.3	100.0	-102	-1.8	0.0	100.0	-0.3	13.7
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.3	14.7	0.0	23.5
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	6.0	0.0	24.6
95-99	0.1	0.0	0.0	0.0	0	0.0	0.2	8.5	0.0	25.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	10.7	0.0	29.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	5.2	0.0	31.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	7,558	32.5	12,952	-1,083	14,035	-8.4	10.4	13.1	-6.3	
Second Quintile	7,198	30.9	29,592	1,682	27,910	5.7	22.7	24.8	9.3	
Middle Quintile	4,877	20.9	49,284	7,661	41,622	15.6	25.6	25.1	28.6	
Fourth Quintile	2,482	10.7	75,584	15,365	60,220	20.3	20.0	18.5	29.2	
Top Quintile	1,128	4.8	179,427	45,427	134,000	25.3	21.5	18.7	39.2	
All	23,292	100.0	40,351	5,615	34,736	13.9	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	730	3.1	109,967	25,852	84,115	23.5	8.6	7.6	14.4	
90-95	209	0.9	149,881	36,811	113,070	24.6	3.3	2.9	5.9	
95-99	158	0.7	276,495	69,076	207,418	25.0	4.7	4.1	8.4	
Top 1 Percent	31	0.1	1,510,258	441,162	1,069,096	29.2	5.0	4.1	10.5	
Top 0.1 Percent	3	0.0	7,770,538	2,410,886	5,359,652	31.0	2.3	1.8	5.1	

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

(1) Calendar year. Baseline is current law with threshold reduced to \$8,100, proposal is to reduce the earnings refundability threshold for the CTC to \$3,000.

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

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

(5) 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.

(6) 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 T09-0090**  
**Reduce Child Tax Credit Refundability Threshold to \$3,000**  
**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	54.9	0.0	2.0	88.9	-310	21.3	-0.3	-1.8	-2.2	-12.5
Second Quintile	7.1	0.0	0.1	9.4	-31	-1.6	0.0	2.0	-0.1	5.8
Middle Quintile	0.6	0.0	0.0	1.1	-3	0.0	0.0	10.2	0.0	15.6
Fourth Quintile	0.1	0.0	0.0	0.2	-1	0.0	0.1	20.1	0.0	20.4
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	69.3	0.0	27.0
All	12.7	0.0	0.1	100.0	-70	-0.3	0.0	100.0	-0.1	21.3
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	16.1	0.0	23.9
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	25.5
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	17.2	0.0	27.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	25.0	0.0	30.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.1	0.0	31.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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	Percent of Total	
Lowest Quintile	9,648	20.1	14,150	-1,458	15,608	-10.3	3.0	4.2	-1.4	
Second Quintile	10,138	21.1	33,628	1,971	31,657	5.9	7.4	8.9	2.0	
Middle Quintile	10,440	21.7	61,157	9,538	51,619	15.6	13.9	15.0	10.2	
Fourth Quintile	9,539	19.8	101,199	20,634	80,564	20.4	21.1	21.3	20.1	
Top Quintile	8,194	17.0	306,666	82,662	224,004	27.0	54.8	51.0	69.1	
All	48,094	100.0	95,281	20,391	74,890	21.4	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	4,292	8.9	153,064	36,572	116,492	23.9	14.3	13.9	16.0	
90-95	1,951	4.1	218,471	55,618	162,854	25.5	9.3	8.8	11.1	
95-99	1,572	3.3	392,713	106,796	285,917	27.2	13.5	12.5	17.1	
Top 1 Percent	379	0.8	2,144,629	644,140	1,500,489	30.0	17.7	15.8	24.9	
Top 0.1 Percent	37	0.1	10,295,847	3,201,831	7,094,016	31.1	8.3	7.3	12.1	

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

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law with threshold reduced to \$8,100, proposal is to reduce the earnings refundability threshold for the CTC to \$3,000.

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

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

(5) 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.

(6) 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 T09-0090**  
**Reduce Child Tax Credit Refundability Threshold to \$3,000**  
**Baseline: \$8,100 Refundability Threshold**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.9	0.0	0.1	66.3	-4	-2.0	0.0	0.3	-0.1	2.2
Second Quintile	0.3	0.0	0.0	26.3	-1	-0.2	0.0	1.6	0.0	4.1
Middle Quintile	0.2	0.0	0.0	7.3	-1	0.0	0.0	3.0	0.0	6.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	11.2	0.0	12.3
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	83.8	0.0	24.3
All	0.3	0.0	0.0	100.0	-1	0.0	0.0	100.0	0.0	18.7
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	11.0	0.0	17.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.5	0.0	19.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	20.5	0.0	23.5
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	41.8	0.0	29.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	21.3	0.0	32.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	5,675	19.8	9,958	224	9,734	2.3	2.6	3.1	0.3	
Second Quintile	7,562	26.4	21,260	866	20,394	4.1	7.4	8.8	1.6	
Middle Quintile	4,371	15.3	41,175	2,776	38,399	6.7	8.3	9.5	3.0	
Fourth Quintile	5,321	18.6	69,880	8,567	61,313	12.3	17.2	18.5	11.2	
Top Quintile	5,689	19.9	246,281	59,798	186,483	24.3	64.6	60.2	83.8	
All	28,639	100.0	75,721	14,177	61,544	18.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	2,500	8.7	105,353	17,930	87,423	17.0	12.1	12.4	11.0	
90-95	1,471	5.1	147,862	28,932	118,931	19.6	10.0	9.9	10.5	
95-99	1,329	4.6	266,234	62,613	203,621	23.5	16.3	15.4	20.5	
Top 1 Percent	391	1.4	1,451,124	434,456	1,016,668	29.9	26.1	22.5	41.8	
Top 0.1 Percent	40	0.1	6,768,885	2,184,214	4,584,672	32.3	12.4	10.3	21.3	

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

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law with threshold reduced to \$8,100, proposal is to reduce the earnings refundability threshold for the CTC to \$3,000.

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

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

(5) 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.

(6) 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.