T09-0091
Options for Reforming the Child Tax Credit (CTC)
Baseline: $8,100 Refundability Threshold
Static Impact on Number of Eligible Children (millions), 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Kids Newly Eligible for the Refundable Credit</th>
<th>Kids with Increased Refundable Child Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Option 1: Reduce to unindexed $3,000 threshold</td>
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</tr>
<tr>
<td></td>
<td>2.6</td>
<td>10.3</td>
</tr>
</tbody>
</table>

(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
(2) Kids newly eligible for the refundable child credit includes all children potentially eligible for the
child credit on returns claiming a non-zero value for the refundable child credit under the proposal but
(3) Baseline is current law with threshold reduced to $8,100. Proposal reduces the unindexed earnings
threshold to $3,000, effective 01/01/09.
(4) Kids with increased refundable child credit includes all children potentially eligible for the child
credit on returns claiming a non-zero value for the refundable child credit in the baseline and a larger