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Table T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
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 | 2.2 | 0.0 | 0.1 | 1.5 | -3 | -0.1 | 5.3 |
| 10-20 | 15.2 | 0.0 | 0.5 | 54.3 | -73 | -0.5 | 4.2 |
| 20-30 | 11.1 | 0.0 | 0.3 | 34.1 | -57 | -0.2 | 9.1 |
| 30-40 | 3.3 | 0.0 | 0.1 | 6.9 | -16 | 0.0 | 13.3 |
| 40-50 | 1.0 | 0.0 | 0.0 | 1.7 | -5 | 0.0 | 15.9 |
| 50-75 | 0.3 | 0.0 | 0.0 | 0.7 | -1 | 0.0 | 17.9 |
| 75-100 | 0.1 | 0.0 | 0.0 | 0.2 | 0 | 0.0 | 19.7 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 22.8 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 26.0 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 26.8 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 30.3 |
| All | 4.6 | 0.0 | 0.0 | 100.0 | -22 | 0.0 | 21.7 |

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

Number of AMT Taxpayers (millions). Baseline: 30.339

Proposal: 30.339

(1) Calendar year. Baseline is current law. Proposal is to reduce the earnings refundability threshold for the CTC to \$8,100.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
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 | 2.2 | 0.0 | 0.1 | 1.5 | -3 | -1.0 | 0.0 | 0.2 | -0.1 | 5.3 |
| 10-20 | 15.2 | 0.0 | 0.5 | 54.3 | -73 | -10.3 | -0.1 | 0.6 | -0.5 | 4.2 |
| 20-30 | 11.1 | 0.0 | 0.3 | 34.1 | -57 | -2.4 | 0.0 | 1.8 | -0.2 | 9.1 |
| 30-40 | 3.3 | 0.0 | 0.1 | 6.9 | -16 | -0.3 | 0.0 | 2.8 | 0.0 | 13.3 |
| 40-50 | 1.0 | 0.0 | 0.0 | 1.7 | -5 | -0.1 | 0.0 | 3.5 | 0.0 | 15.9 |
| 50-75 | 0.3 | 0.0 | 0.0 | 0.7 | -1 | 0.0 | 0.0 | 10.0 | 0.0 | 17.9 |
| 75-100 | 0.1 | 0.0 | 0.0 | 0.2 | 0 | 0.0 | 0.0 | 10.1 | 0.0 | 19.7 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 25.3 | 0.0 | 22.8 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 17.5 | 0.0 | 26.0 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 7.5 | 0.0 | 26.8 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 20.6 | 0.0 | 30.3 |
| All | 4.6 | 0.0 | 0.0 | 100.0 | -22 | -0.1 | 0.0 | 100.0 | 0.0 | 21.7 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

| 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 Income | Share of Post- Tax Income | Share of Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 17,204 | 11.5 | 5,704 | 303 | 5,401 | 5.3 | 0.9 | 1.1 | 0.2 |
| 10-20 | 24,101 | 16.0 | 15,181 | 707 | 14,474 | 4.7 | 3.2 | 3.9 | 0.7 |
| 20-30 | 19,493 | 13.0 | 25,314 | 2,361 | 22,953 | 9.3 | 4.4 | 5.1 | 1.9 |
| 30-40 | 14,384 | 9.6 | 35,555 | 4,726 | 30,828 | 13.3 | 4.5 | 5.0 | 2.8 |
| 40-50 | 11,749 | 7.8 | 45,838 | 7,290 | 38,547 | 15.9 | 4.8 | 5.1 | 3.5 |
| 50-75 | 21,662 | 14.4 | 63,039 | 11,304 | 51,734 | 17.9 | 12.1 | 12.7 | 10.0 |
| 75-100 | 14,107 | 9.4 | 88,790 | 17,494 | 71,296 | 19.7 | 11.1 | 11.4 | 10.1 |
| 100-200 | 19,712 | 13.1 | 138,154 | 31,466 | 106,688 | 22.8 | 24.1 | 23.7 | 25.3 |
| 200-500 | 5,636 | 3.8 | 291,886 | 75,924 | 215,962 | 26.0 | 14.5 | 13.7 | 17.4 |
| 500-1,000 | 989 | 0.7 | 695,069 | 186,351 | 508,717 | 26.8 | 6.1 | 5.7 | 7.5 |
| More than 1,000 | 519 | 0.4 | 3,199,967 | 970,745 | 2,229,222 | 30.3 | 14.7 | 13.1 | 20.6 |
| All | 150,241 | 100.0 | 75,289 | 16,327 | 58,962 | 21.7 | 100.0 | 100.0 | 100.0 |

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

Number of AMT Taxpayers (millions). Baseline: 30.339

Proposal: 30.339

(1) Calendar year. Baseline is current law. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Single Tax Units

| 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 | 0.5 | 0.0 | 0.0 | 2.8 | -1 | -0.1 | 0.0 | 1.0 | 0.0 | 7.9 |
| 10-20 | 3.0 | 0.0 | 0.1 | 72.7 | -13 | -1.0 | 0.0 | 3.2 | -0.1 | 8.3 |
| 20-30 | 1.3 | 0.0 | 0.0 | 21.2 | -6 | -0.2 | 0.0 | 6.1 | 0.0 | 14.4 |
| 30-40 | 0.2 | 0.0 | 0.0 | 2.8 | -1 | 0.0 | 0.0 | 7.2 | 0.0 | 18.2 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 8.3 | 0.0 | 19.6 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.9 | 0.0 | 21.7 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 11.6 | 0.0 | 23.7 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.7 | 0.0 | 24.6 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 9.8 | 0.0 | 26.5 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 4.4 | 0.0 | 28.5 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 12.7 | 0.0 | 34.1 |
| All | 1.0 | 0.0 | 0.0 | 100.0 | -4 | 0.0 | 0.0 | 100.0 | 0.0 | 21.4 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

| 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 Income | Share of Post- Tax Income | Share of Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 12,556 | 19.3 | 5,704 | 452 | 5,252 | 7.9 | 2.6 | 3.1 | 1.0 |
| 10-20 | 14,909 | 23.0 | 15,017 | 1,251 | 13,766 | 8.3 | 8.2 | 9.6 | 3.2 |
| 20-30 | 9,879 | 15.2 | 25,243 | 3,629 | 21,614 | 14.4 | 9.1 | 9.9 | 6.1 |
| 30-40 | 6,530 | 10.1 | 35,566 | 6,456 | 29,110 | 18.2 | 8.5 | 8.9 | 7.2 |
| 40-50 | 5,421 | 8.4 | 45,797 | 8,954 | 36,843 | 19.6 | 9.1 | 9.3 | 8.3 |
| 50-75 | 8,162 | 12.6 | 62,150 | 13,504 | 48,646 | 21.7 | 18.6 | 18.5 | 18.9 |
| 75-100 | 3,264 | 5.0 | 87,974 | 20,826 | 67,147 | 23.7 | 10.5 | 10.2 | 11.6 |
| 100-200 | 2,958 | 4.6 | 134,418 | 32,997 | 101,421 | 24.6 | 14.6 | 14.0 | 16.7 |
| 200-500 | 730 | 1.1 | 295,280 | 78,268 | 217,012 | 26.5 | 7.9 | 7.4 | 9.8 |
| 500-1,000 | 130 | 0.2 | 694,203 | 197,542 | 496,661 | 28.5 | 3.3 | 3.0 | 4.4 |
| More than 1,000 | 69 | 0.1 | 3,156,727 | 1,074,887 | 2,081,839 | 34.1 | 7.9 | 6.7 | 12.7 |
| All | 64,958 | 100.0 | 42,053 | 8,992 | 33,060 | 21.4 | 100.0 | 100.0 | 100.0 |

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

(1) Calendar year. Baseline is current law. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Married Tax Units Filing Jointly

| 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 | 1.9 | 0.0 | 0.1 | 1.1 | -5 | -1.9 | 0.0 | 0.0 | -0.1 | 5.2 |
| 10-20 | 17.7 | 0.0 | 0.6 | 38.9 | -93 | -20.2 | 0.0 | 0.1 | -0.6 | 2.4 |
| 20-30 | 14.6 | 0.0 | 0.3 | 40.1 | -80 | -6.4 | 0.0 | 0.3 | -0.3 | 4.6 |
| 30-40 | 5.5 | 0.0 | 0.1 | 12.2 | -29 | -1.0 | 0.0 | 0.7 | -0.1 | 7.9 |
| 40-50 | 2.1 | 0.0 | 0.0 | 4.1 | -11 | -0.2 | 0.0 | 1.1 | 0.0 | 11.2 |
| 50-75 | 0.4 | 0.0 | 0.0 | 1.6 | -2 | 0.0 | 0.0 | 5.4 | 0.0 | 14.7 |
| 75-100 | 0.1 | 0.0 | 0.0 | 0.5 | 0 | 0.0 | 0.0 | 8.9 | 0.0 | 18.0 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.3 | 0 | 0.0 | 0.0 | 29.2 | 0.0 | 22.4 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 21.2 | 0.0 | 26.0 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 9.1 | 0.0 | 26.5 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 23.9 | 0.0 | 29.8 |
| All | 3.0 | 0.0 | 0.0 | 100.0 | -16 | -0.1 | 0.0 | 100.0 | 0.0 | 22.6 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

| 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 Income | Share of Post- Tax Income | Share of Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 2,093 | 3.5 | 4,904 | 262 | 4,642 | 5.3 | 0.1 | 0.2 | 0.0 |
| 10-20 | 3,937 | 6.6 | 15,709 | 462 | 15,247 | 2.9 | 0.8 | 1.0 | 0.1 |
| 20-30 | 4,757 | 8.0 | 25,357 | 1,248 | 24,109 | 4.9 | 1.6 | 2.0 | 0.4 |
| 30-40 | 3,946 | 6.6 | 35,641 | 2,859 | 32,782 | 8.0 | 1.9 | 2.3 | 0.7 |
| 40-50 | 3,659 | 6.2 | 45,966 | 5,177 | 40,790 | 11.3 | 2.3 | 2.6 | 1.1 |
| 50-75 | 9,688 | 16.3 | 64,204 | 9,420 | 54,784 | 14.7 | 8.4 | 9.2 | 5.4 |
| 75-100 | 9,341 | 15.7 | 89,292 | 16,090 | 73,202 | 18.0 | 11.2 | 11.9 | 8.9 |
| 100-200 | 15,817 | 26.6 | 139,272 | 31,134 | 108,138 | 22.4 | 29.6 | 29.7 | 29.2 |
| 200-500 | 4,725 | 7.9 | 291,151 | 75,559 | 215,592 | 26.0 | 18.5 | 17.7 | 21.2 |
| 500-1,000 | 827 | 1.4 | 695,396 | 184,513 | 510,883 | 26.5 | 7.7 | 7.3 | 9.1 |
| More than 1,000 | 430 | 0.7 | 3,148,057 | 936,412 | 2,211,645 | 29.8 | 18.2 | 16.5 | 23.9 |
| All | 59,479 | 100.0 | 125,155 | 28,353 | 96,802 | 22.7 | 100.0 | 100.0 | 100.0 |

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

(1) Calendar year. Baseline is current law. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Head of Household Tax Units

| 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 | 11.0 | 0.0 | 0.2 | 1.6 | -13 | 2.9 | 0.0 | -0.9 | -0.2 | -7.3 |
| 10-20 | 50.6 | 0.0 | 1.5 | 59.1 | -241 | 29.3 | -1.0 | -4.0 | -1.6 | -7.0 |
| 20-30 | 29.7 | 0.0 | 0.6 | 33.0 | -148 | -24.6 | -0.5 | 1.6 | -0.6 | 1.8 |
| 30-40 | 6.9 | 0.0 | 0.1 | 5.0 | -29 | -0.8 | 0.1 | 9.2 | -0.1 | 9.6 |
| 40-50 | 1.7 | 0.0 | 0.0 | 0.8 | -7 | -0.1 | 0.2 | 11.4 | 0.0 | 14.1 |
| 50-75 | 0.7 | 0.0 | 0.0 | 0.4 | -3 | 0.0 | 0.4 | 27.6 | 0.0 | 17.7 |
| 75-100 | 0.1 | 0.0 | 0.0 | 0.0 | -1 | 0.0 | 0.3 | 17.8 | 0.0 | 21.2 |
| 100-200 | 0.2 | 0.0 | 0.0 | 0.0 | -1 | 0.0 | 0.3 | 18.9 | 0.0 | 24.1 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 7.5 | 0.0 | 25.0 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 2.9 | 0.0 | 26.7 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 7.9 | 0.0 | 30.4 |
| All | 19.0 | 0.0 | 0.3 | 100.0 | -87 | -1.5 | 0.0 | 100.0 | -0.2 | 13.9 |

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 Income | Share of Post- Tax Income | Share of Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 2,406 | 10.3 | 6,412 | -455 | 6,867 | -7.1 | 1.6 | 2.1 | -0.8 |
| 10-20 | 4,961 | 21.3 | 15,257 | -822 | 16,079 | -5.4 | 8.1 | 9.9 | -3.1 |
| 20-30 | 4,512 | 19.4 | 25,403 | 600 | 24,803 | 2.4 | 12.2 | 13.9 | 2.0 |
| 30-40 | 3,554 | 15.3 | 35,401 | 3,417 | 31,984 | 9.7 | 13.4 | 14.1 | 9.1 |
| 40-50 | 2,315 | 9.9 | 45,811 | 6,460 | 39,351 | 14.1 | 11.3 | 11.3 | 11.3 |
| 50-75 | 3,290 | 14.1 | 61,934 | 10,986 | 50,948 | 17.7 | 21.7 | 20.8 | 27.2 |
| 75-100 | 1,254 | 5.4 | 87,576 | 18,549 | 69,027 | 21.2 | 11.7 | 10.7 | 17.5 |
| 100-200 | 786 | 3.4 | 130,519 | 31,459 | 99,060 | 24.1 | 10.9 | 9.7 | 18.6 |
| 200-500 | 132 | 0.6 | 298,070 | 74,443 | 223,627 | 25.0 | 4.2 | 3.7 | 7.4 |
| 500-1,000 | 21 | 0.1 | 683,864 | 182,444 | 501,421 | 26.7 | 1.5 | 1.3 | 2.8 |
| More than 1,000 | 11 | 0.1 | 3,070,023 | 932,848 | 2,137,175 | 30.4 | 3.6 | 2.9 | 7.8 |
| All | 23,292 | 100.0 | 40,351 | 5,702 | 34,650 | 14.1 | 100.0 | 100.0 | 100.0 |

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

(1) Calendar year. Baseline is current law. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Tax Units with Children

| 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 | 11.7 | 0.0 | 0.2 | 1.4 | -16 | 2.3 | 0.0 | -0.2 | -0.3 | -11.6 |
| 10-20 | 60.3 | 0.0 | 1.7 | 52.9 | -291 | 20.8 | -0.2 | -1.0 | -1.9 | -10.9 |
| 20-30 | 36.9 | 0.0 | 0.7 | 35.2 | -190 | 214.5 | -0.1 | -0.2 | -0.8 | -1.1 |
| 30-40 | 9.8 | 0.0 | 0.1 | 7.3 | -46 | -1.7 | 0.0 | 1.3 | -0.1 | 7.8 |
| 40-50 | 3.1 | 0.0 | 0.0 | 1.8 | -14 | -0.3 | 0.0 | 2.2 | 0.0 | 12.6 |
| 50-75 | 0.8 | 0.0 | 0.0 | 0.8 | -3 | 0.0 | 0.0 | 7.6 | 0.0 | 16.0 |
| 75-100 | 0.2 | 0.0 | 0.0 | 0.2 | -1 | 0.0 | 0.0 | 10.0 | 0.0 | 18.9 |
| 100-200 | 0.1 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.1 | 29.5 | 0.0 | 22.9 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 21.0 | 0.0 | 26.6 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.6 | 0.0 | 27.4 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 21.0 | 0.0 | 30.5 |
| All | 13.3 | 0.0 | 0.1 | 100.0 | -63 | -0.3 | 0.0 | 100.0 | -0.1 | 21.4 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

| 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- | Share of Post- | Share of |
|--|------------------------|---------------------|--------------------------------|---|--|---|--|---|--------------------------------------|
| | Number (thousands) | Percent of Total | | | | | Pre-Tax Income Percent of Total | Post-Tax Income Percent of Total | Federal Taxes Percent of Total |
| Less than 10 | 2,701 | 5.6 | 5,981 | -680 | 6,662 | -11.4 | 0.4 | 0.5 | -0.2 |
| 10-20 | 5,494 | 11.4 | 15,478 | -1,402 | 16,880 | -9.1 | 1.9 | 2.6 | -0.8 |
| 20-30 | 5,603 | 11.7 | 25,399 | -88 | 25,487 | -0.4 | 3.1 | 4.0 | -0.1 |
| 30-40 | 4,726 | 9.8 | 35,550 | 2,801 | 32,748 | 7.9 | 3.7 | 4.3 | 1.4 |
| 40-50 | 3,756 | 7.8 | 45,850 | 5,790 | 40,061 | 12.6 | 3.8 | 4.2 | 2.2 |
| 50-75 | 7,394 | 15.4 | 63,220 | 10,090 | 53,131 | 16.0 | 10.2 | 10.9 | 7.6 |
| 75-100 | 5,839 | 12.1 | 89,123 | 16,800 | 72,323 | 18.9 | 11.4 | 11.7 | 10.0 |
| 100-200 | 9,103 | 18.9 | 139,015 | 31,765 | 107,250 | 22.9 | 27.6 | 27.1 | 29.4 |
| 200-500 | 2,690 | 5.6 | 288,713 | 76,663 | 212,050 | 26.6 | 17.0 | 15.9 | 21.0 |
| 500-1,000 | 442 | 0.9 | 693,043 | 189,988 | 503,055 | 27.4 | 6.7 | 6.2 | 8.5 |
| More than 1,000 | 212 | 0.4 | 3,179,388 | 969,934 | 2,209,454 | 30.5 | 14.7 | 13.0 | 20.9 |
| All | 48,094 | 100.0 | 95,281 | 20,453 | 74,827 | 21.5 | 100.0 | 100.0 | 100.0 |

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. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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 T09-0093
Reduce Child Tax Credit Refundability Threshold to \$8,100
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Elderly Tax Units

| 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 | 0.5 | 0.0 | 0.0 | 4.6 | 0 | -0.3 | 0.0 | 0.1 | 0.0 | 2.7 |
| 10-20 | 0.4 | 0.0 | 0.0 | 36.4 | -2 | -0.4 | 0.0 | 0.7 | 0.0 | 2.6 |
| 20-30 | 0.6 | 0.0 | 0.0 | 41.1 | -3 | -0.2 | 0.0 | 1.3 | 0.0 | 5.1 |
| 30-40 | 0.2 | 0.0 | 0.0 | 3.9 | -1 | 0.0 | 0.0 | 1.1 | 0.0 | 6.0 |
| 40-50 | 0.4 | 0.0 | 0.0 | 7.6 | -1 | 0.0 | 0.0 | 1.5 | 0.0 | 7.7 |
| 50-75 | 0.1 | 0.0 | 0.0 | 6.3 | 0 | 0.0 | 0.0 | 7.3 | 0.0 | 11.4 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.1 | 0.0 | 14.6 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 20.4 | 0.0 | 18.8 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 19.1 | 0.0 | 24.0 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.2 | 0.0 | 27.0 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 30.3 | 0.0 | 31.1 |
| All | 0.3 | 0.0 | 0.0 | 100.0 | -1 | 0.0 | 0.0 | 100.0 | 0.0 | 18.7 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

| 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 Income | Share of Post- Tax Income | Share of Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 2,765 | 9.7 | 6,577 | 181 | 6,396 | 2.8 | 0.8 | 1.0 | 0.1 |
| 10-20 | 6,689 | 23.4 | 15,129 | 398 | 14,731 | 2.6 | 4.7 | 5.6 | 0.7 |
| 20-30 | 4,053 | 14.2 | 24,891 | 1,264 | 23,627 | 5.1 | 4.7 | 5.4 | 1.3 |
| 30-40 | 2,142 | 7.5 | 35,242 | 2,108 | 33,134 | 6.0 | 3.5 | 4.0 | 1.1 |
| 40-50 | 1,714 | 6.0 | 46,021 | 3,537 | 42,483 | 7.7 | 3.6 | 4.1 | 1.5 |
| 50-75 | 4,095 | 14.3 | 63,445 | 7,255 | 56,190 | 11.4 | 12.0 | 13.1 | 7.3 |
| 75-100 | 2,542 | 8.9 | 88,251 | 12,856 | 75,395 | 14.6 | 10.3 | 10.9 | 8.1 |
| 100-200 | 3,191 | 11.1 | 137,801 | 25,941 | 111,860 | 18.8 | 20.3 | 20.3 | 20.4 |
| 200-500 | 1,082 | 3.8 | 298,445 | 71,508 | 226,937 | 24.0 | 14.9 | 13.9 | 19.1 |
| 500-1,000 | 221 | 0.8 | 696,175 | 188,052 | 508,123 | 27.0 | 7.1 | 6.4 | 10.2 |
| More than 1,000 | 126 | 0.4 | 3,134,426 | 974,445 | 2,159,981 | 31.1 | 18.2 | 15.5 | 30.3 |
| All | 28,639 | 100.0 | 75,721 | 14,178 | 61,543 | 18.7 | 100.0 | 100.0 | 100.0 |

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. Proposal is to reduce the earnings refundability threshold for the CTC to \$0.

(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.