

Table T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Summary Table

Cash Income Level (thousands of 2009 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	1.2	0.0	0.3	9.0	-20	-0.3	-2.5
10-20	2.3	0.0	0.2	15.5	-26	-0.2	0.1
20-30	4.2	0.0	0.2	20.9	-43	-0.2	5.7
30-40	5.5	0.0	0.2	17.1	-46	-0.1	10.4
40-50	5.2	0.0	0.1	12.4	-41	-0.1	13.2
50-75	4.9	0.0	0.0	11.7	-24	0.0	15.2
75-100	3.5	0.0	0.0	4.7	-14	0.0	17.4
100-200	4.2	0.0	0.0	7.1	-16	0.0	20.2
200-500	2.6	0.0	0.0	1.2	-10	0.0	23.3
500-1,000	1.8	0.0	0.0	0.2	-7	0.0	24.5
More than 1,000	1.2	0.0	0.0	0.0	-5	0.0	27.1
All	3.7	0.0	0.1	100.0	-27	0.0	18.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 4.0

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table

Cash Income Level (thousands of 2009 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	1.2	0.0	0.3	9.0	-20	15.7	0.0	-0.2	-0.3	-2.5
10-20	2.3	0.0	0.2	15.5	-26	-58.7	0.0	0.0	-0.2	0.1
20-30	4.2	0.0	0.2	20.9	-43	-2.9	0.0	1.5	-0.2	5.7
30-40	5.5	0.0	0.2	17.1	-46	-1.3	0.0	3.0	-0.1	10.4
40-50	5.2	0.0	0.1	12.4	-41	-0.7	0.0	3.9	-0.1	13.2
50-75	4.9	0.0	0.0	11.7	-24	-0.3	0.0	10.4	0.0	15.2
75-100	3.5	0.0	0.0	4.7	-14	-0.1	0.0	11.5	0.0	17.4
100-200	4.2	0.0	0.0	7.1	-16	-0.1	0.1	27.5	0.0	20.2
200-500	2.6	0.0	0.0	1.2	-10	0.0	0.0	18.3	0.0	23.3
500-1,000	1.8	0.0	0.0	0.2	-7	0.0	0.0	7.8	0.0	24.5
More than 1,000	1.2	0.0	0.0	0.0	-5	0.0	0.0	16.0	0.0	27.1
All	3.7	0.0	0.1	100.0	-27	-0.2	0.0	100.0	0.0	18.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	18,691	12.3	5,781	-126	5,907	-2.2	1.1	1.3	-0.1
10-20	24,650	16.3	14,983	44	14,939	0.3	3.6	4.4	0.1
20-30	20,270	13.4	24,690	1,451	23,239	5.9	4.9	5.7	1.6
30-40	15,408	10.2	34,732	3,670	31,062	10.6	5.3	5.8	3.1
40-50	12,353	8.2	44,661	5,928	38,733	13.3	5.4	5.8	4.0
50-75	20,535	13.6	61,775	9,425	52,350	15.3	12.5	12.9	10.5
75-100	14,202	9.4	86,078	15,019	71,059	17.5	12.0	12.1	11.5
100-200	18,105	12.0	138,753	28,047	110,707	20.2	24.7	24.1	27.4
200-500	5,002	3.3	290,117	67,473	222,644	23.3	14.3	13.4	18.2
500-1,000	866	0.6	680,751	166,487	514,265	24.5	5.8	5.4	7.8
More than 1,000	390	0.3	2,803,165	758,744	2,044,421	27.1	10.7	9.6	16.0
All	151,485	100.0	67,151	12,230	54,922	18.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 4.0

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 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	0.4	0.0	0.1	27.2	-8	-6.1	0.0	0.3	-0.1	2.1
10-20	1.0	0.0	0.1	47.8	-12	-1.5	0.0	2.6	-0.1	5.5
20-30	0.6	0.0	0.0	14.2	-5	-0.2	0.0	6.5	0.0	11.5
30-40	0.3	0.0	0.0	2.1	-1	0.0	0.0	8.5	0.0	15.6
40-50	0.6	0.0	0.0	5.1	-3	0.0	0.0	9.6	0.0	17.5
50-75	0.1	0.0	0.0	1.8	-1	0.0	0.0	18.8	0.0	19.8
75-100	0.1	0.0	0.0	0.4	0	0.0	0.0	13.3	0.0	21.8
100-200	0.5	0.0	0.0	1.4	-2	0.0	0.0	17.3	0.0	22.3
200-500	0.1	0.0	0.0	0.0	0	0.0	0.0	9.5	0.0	23.5
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	4.3	0.0	25.2
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	9.3	0.0	30.2
All	0.5	0.0	0.0	100.0	-6	-0.1	0.0	100.0	0.0	18.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	13,152	19.9	5,692	128	5,564	2.3	3.0	3.5	0.4
10-20	15,090	22.8	14,806	822	13,984	5.6	8.8	10.2	2.7
20-30	10,542	15.9	24,568	2,836	21,732	11.5	10.2	11.0	6.5
30-40	7,266	11.0	34,753	5,423	29,330	15.6	9.9	10.3	8.5
40-50	5,673	8.6	44,620	7,817	36,802	17.5	10.0	10.0	9.6
50-75	7,204	10.9	60,914	12,050	48,864	19.8	17.3	16.9	18.8
75-100	3,303	5.0	85,491	18,612	66,879	21.8	11.1	10.6	13.3
100-200	2,664	4.0	134,746	30,007	104,739	22.3	14.1	13.4	17.3
200-500	637	1.0	292,731	68,769	223,962	23.5	7.3	6.9	9.5
500-1,000	115	0.2	682,877	172,341	510,536	25.2	3.1	2.8	4.3
More than 1,000	51	0.1	2,766,656	835,983	1,930,673	30.2	5.6	4.8	9.2
All	66,239	100.0	38,368	6,989	31,379	18.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 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	0.1	0.0	0.0	0.2	-1	0.4	0.0	0.0	0.0	-3.0
10-20	0.6	0.0	0.0	1.8	-4	0.8	0.0	-0.2	0.0	-3.0
20-30	1.6	0.0	0.1	7.4	-13	-14.0	0.0	0.0	-0.1	0.3
30-40	2.6	0.0	0.1	9.3	-19	-1.3	0.0	0.5	-0.1	4.2
40-50	3.6	0.0	0.0	7.2	-15	-0.4	0.0	1.1	0.0	7.7
50-75	5.4	0.0	0.0	20.8	-18	-0.2	0.0	5.8	0.0	11.8
75-100	4.0	0.0	0.0	15.4	-14	-0.1	0.0	10.2	0.0	15.7
100-200	4.8	0.0	0.0	31.3	-18	-0.1	0.0	32.0	0.0	19.7
200-500	2.8	0.0	0.0	5.4	-11	0.0	0.0	22.4	0.0	23.3
500-1,000	2.0	0.0	0.0	0.6	-7	0.0	0.0	9.4	0.0	24.3
More than 1,000	1.2	0.0	0.0	0.2	-5	0.0	0.0	18.6	0.0	26.6
All	3.6	0.0	0.0	100.0	-14	-0.1	0.0	100.0	0.0	19.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	2,391	4.0	5,172	-156	5,328	-3.0	0.2	0.2	0.0
10-20	4,212	7.1	15,527	-462	15,989	-3.0	1.0	1.3	-0.2
20-30	4,769	8.0	24,849	93	24,756	0.4	1.8	2.2	0.0
30-40	4,200	7.1	34,951	1,477	33,474	4.2	2.2	2.6	0.5
40-50	4,021	6.8	44,825	3,478	41,347	7.8	2.7	3.1	1.1
50-75	9,995	16.8	62,707	7,400	55,307	11.8	9.5	10.4	5.8
75-100	9,502	16.0	86,519	13,611	72,908	15.7	12.5	13.0	10.2
100-200	14,657	24.7	139,929	27,637	112,292	19.8	31.1	30.9	32.0
200-500	4,201	7.1	289,872	67,472	222,399	23.3	18.5	17.5	22.4
500-1,000	722	1.2	680,719	165,454	515,265	24.3	7.5	7.0	9.4
More than 1,000	323	0.5	2,741,179	727,692	2,013,487	26.6	13.4	12.2	18.5
All	59,366	100.0	111,151	21,329	89,823	19.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(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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(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
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 2009 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	5.4	0.0	1.1	9.2	-90	7.1	-0.5	-4.8	-1.3	-20.3
10-20	7.9	0.0	0.5	15.3	-88	4.5	-0.9	-12.5	-0.6	-13.7
20-30	15.5	0.0	0.6	25.8	-162	34.8	-1.0	-3.5	-0.7	-2.5
30-40	20.3	0.0	0.6	21.4	-175	-7.3	-0.4	9.5	-0.5	6.5
40-50	20.1	0.0	0.5	14.8	-185	-3.5	0.0	14.3	-0.4	11.5
50-75	16.2	0.0	0.2	10.4	-105	-1.1	0.7	32.2	-0.2	15.4
75-100	9.7	0.0	0.1	2.2	-55	-0.4	0.7	21.8	-0.1	18.5
100-200	7.6	0.0	0.0	0.8	-36	-0.1	0.7	22.5	0.0	22.0
200-500	7.6	0.0	0.0	0.2	-39	-0.1	0.3	9.1	0.0	21.7
500-1,000	8.3	0.0	0.0	0.0	-44	0.0	0.1	3.8	0.0	24.8
More than 1,000	6.4	0.0	0.0	0.0	-36	0.0	0.3	7.4	0.0	27.4
All	13.2	0.0	0.4	100.0	-124	-3.4	0.0	100.0	-0.3	9.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	2,963	12.7	6,673	-1,263	7,935	-18.9	2.3	3.0	-4.4
10-20	5,047	21.6	15,028	-1,966	16,993	-13.1	8.8	11.1	-11.6
20-30	4,611	19.7	24,801	-465	25,266	-1.9	13.3	15.0	-2.5
30-40	3,533	15.1	34,391	2,406	31,985	7.0	14.1	14.6	9.9
40-50	2,320	9.9	44,563	5,308	39,255	11.9	12.0	11.8	14.3
50-75	2,862	12.3	60,643	9,457	51,186	15.6	20.2	18.9	31.5
75-100	1,158	5.0	84,653	15,686	68,967	18.5	11.4	10.3	21.2
100-200	655	2.8	129,635	28,526	101,109	22.0	9.9	8.6	21.7
200-500	122	0.5	287,210	62,320	224,890	21.7	4.1	3.5	8.8
500-1,000	19	0.1	664,816	164,706	500,111	24.8	1.5	1.2	3.7
More than 1,000	8	0.0	2,693,182	738,273	1,954,909	27.4	2.6	2.1	7.2
All	23,363	100.0	36,821	3,677	33,145	10.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

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(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 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	4.9	0.0	1.1	7.7	-84	5.5	0.0	-0.8	-1.3	-25.6
10-20	8.6	0.0	0.6	15.0	-98	3.6	-0.1	-2.3	-0.6	-18.5
20-30	14.1	0.0	0.6	21.4	-145	10.0	-0.1	-1.2	-0.6	-6.4
30-40	16.4	0.0	0.4	16.9	-137	-9.7	-0.1	0.8	-0.4	3.7
40-50	15.6	0.0	0.3	12.8	-125	-3.0	-0.1	2.2	-0.3	9.1
50-75	14.0	0.0	0.1	12.0	-67	-0.8	0.0	7.9	-0.1	13.4
75-100	8.3	0.0	0.0	5.0	-32	-0.2	0.0	11.4	0.0	16.1
100-200	8.8	0.0	0.0	7.6	-34	-0.1	0.1	32.9	0.0	19.9
200-500	5.4	0.0	0.0	1.3	-21	0.0	0.1	22.8	0.0	24.2
500-1,000	4.1	0.0	0.0	0.2	-16	0.0	0.1	9.2	0.0	25.7
More than 1,000	2.8	0.0	0.0	0.1	-12	0.0	0.1	16.9	0.0	28.1
All	10.8	0.0	0.1	100.0	-79	-0.5	0.0	100.0	-0.1	17.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	3,537	7.3	6,332	-1,535	7,866	-24.2	0.5	0.8	-0.7
10-20	5,872	12.1	15,226	-2,724	17,949	-17.9	2.2	3.1	-2.2
20-30	5,662	11.7	24,911	-1,454	26,366	-5.8	3.4	4.4	-1.1
30-40	4,749	9.8	34,605	1,409	33,196	4.1	4.0	4.7	0.9
40-50	3,935	8.1	44,672	4,174	40,498	9.3	4.3	4.7	2.2
50-75	6,902	14.3	62,286	8,393	53,893	13.5	10.4	11.0	7.9
75-100	5,990	12.4	86,360	13,892	72,468	16.1	12.5	12.8	11.4
100-200	8,648	17.9	139,724	27,786	111,938	19.9	29.3	28.5	32.8
200-500	2,386	4.9	288,487	69,792	218,695	24.2	16.7	15.4	22.7
500-1,000	385	0.8	677,932	174,520	503,411	25.7	6.3	5.7	9.2
More than 1,000	157	0.3	2,789,597	783,587	2,006,011	28.1	10.6	9.3	16.8
All	48,399	100.0	85,231	15,134	70,096	17.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

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

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(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 T09-0380
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-0.9
10-20	0.0	0.0	0.0	13.8	0	-0.3	0.0	0.2	0.0	0.5
20-30	0.1	0.0	0.0	6.3	0	0.0	0.0	1.0	0.0	2.5
30-40	0.0	0.0	0.0	0.2	0	0.0	0.0	1.2	0.0	3.4
40-50	0.1	0.0	0.0	12.6	-1	0.0	0.0	1.6	0.0	4.8
50-75	0.2	0.0	0.0	61.9	-1	0.0	0.0	7.8	0.0	7.8
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	8.2	0.0	11.6
100-200	0.1	0.0	0.0	3.2	0	0.0	0.0	21.9	0.0	15.7
200-500	0.1	0.0	0.0	1.7	0	0.0	0.0	20.8	0.0	19.6
500-1,000	0.1	0.0	0.0	0.3	0	0.0	0.0	11.0	0.0	22.7
More than 1,000	0.0	0.0	0.0	0.1	0	0.0	0.0	26.3	0.0	26.5
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	13.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	2,678	9.4	6,433	-55	6,487	-0.9	0.9	1.1	-0.1
10-20	6,623	23.2	14,921	79	14,842	0.5	5.3	6.1	0.2
20-30	4,325	15.1	24,432	604	23,828	2.5	5.6	6.4	1.0
30-40	2,573	9.0	34,692	1,167	33,525	3.4	4.8	5.3	1.2
40-50	1,985	7.0	44,821	2,163	42,658	4.8	4.7	5.2	1.6
50-75	4,292	15.0	61,376	4,778	56,598	7.8	14.0	15.0	7.8
75-100	2,173	7.6	85,782	9,912	75,870	11.6	9.9	10.2	8.2
100-200	2,639	9.2	139,139	21,770	117,369	15.7	19.5	19.1	21.9
200-500	954	3.3	291,469	57,036	234,433	19.6	14.8	13.8	20.8
500-1,000	187	0.7	679,583	154,173	525,409	22.7	6.8	6.1	11.0
More than 1,000	95	0.3	2,749,752	727,752	2,022,000	26.5	13.9	11.8	26.3
All	28,567	100.0	65,824	9,178	56,646	13.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

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

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2009; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$30,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

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