

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	1.7	0.0	0.2	21.2	-24	-0.2	-1.1
Second Quintile	4.3	0.0	0.2	34.1	-42	-0.2	6.5
Middle Quintile	5.3	0.0	0.1	27.4	-37	-0.1	13.4
Fourth Quintile	3.9	0.0	0.0	9.7	-16	0.0	17.2
Top Quintile	3.7	0.0	0.0	7.6	-14	0.0	22.9
All	3.7	0.0	0.1	100.0	-27	0.0	18.2
Addendum							
80-90	4.3	0.0	0.0	4.4	-16	0.0	19.4
90-95	4.1	0.0	0.0	2.0	-15	0.0	22.0
95-99	2.5	0.0	0.0	1.0	-10	0.0	23.5
Top 1 Percent	1.5	0.0	0.0	0.2	-5	0.0	26.1
Top 0.1 Percent	1.0	0.0	0.0	0.0	-3	0.0	27.9

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) 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 2009 dollars): 20% \$17,983, 40% \$35,188, 60% \$63,156, 80% \$104,403, 90% \$163,028, 95% \$207,739, 99% \$524,199, 99.9% \$2,083,935.

(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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2009 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.7	0.0	0.2	21.2	-24	25.9	-0.1	-0.2	-0.2	-1.1
Second Quintile	4.3	0.0	0.2	34.1	-42	-2.4	-0.1	3.1	-0.2	6.5
Middle Quintile	5.3	0.0	0.1	27.4	-37	-0.6	0.0	10.5	-0.1	13.4
Fourth Quintile	3.9	0.0	0.0	9.7	-16	-0.1	0.0	19.2	0.0	17.2
Top Quintile	3.7	0.0	0.0	7.6	-14	0.0	0.1	67.4	0.0	22.9
All	3.7	0.0	0.1	100.0	-27	-0.2	0.0	100.0	0.0	18.2
Addendum										
80-90	4.3	0.0	0.0	4.4	-16	-0.1	0.0	15.2	0.0	19.4
90-95	4.1	0.0	0.0	2.0	-15	0.0	0.0	11.7	0.0	22.0
95-99	2.5	0.0	0.0	1.0	-10	0.0	0.0	17.5	0.0	23.5
Top 1 Percent	1.5	0.0	0.0	0.2	-5	0.0	0.1	23.0	0.0	26.1
Top 0.1 Percent	1.0	0.0	0.0	0.0	-3	0.0	0.0	10.9	0.0	27.9

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	36,947	24.4	10,323	-91	10,415	-0.9	3.8	4.6	-0.2	
Second Quintile	33,811	22.3	25,787	1,711	24,076	6.6	8.6	9.8	3.1	
Middle Quintile	30,661	20.2	47,225	6,340	40,884	13.4	14.2	15.1	10.5	
Fourth Quintile	25,415	16.8	81,289	14,001	67,288	17.2	20.3	20.6	19.2	
Top Quintile	22,293	14.7	243,761	55,865	187,896	22.9	53.4	50.4	67.2	
All	151,485	100.0	67,151	12,230	54,922	18.2	100.0	100.0	100.0	
Addendum										
80-90	11,308	7.5	128,234	24,896	103,338	19.4	14.3	14.0	15.2	
90-95	5,399	3.6	182,887	40,153	142,733	22.0	9.7	9.3	11.7	
95-99	4,444	2.9	308,817	72,612	236,205	23.5	13.5	12.6	17.4	
Top 1 Percent	1,142	0.8	1,421,970	371,531	1,050,439	26.1	16.0	14.4	22.9	
Top 0.1 Percent	116	0.1	6,216,057	1,735,734	4,480,323	27.9	7.1	6.2	10.9	

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.

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

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(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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.5	0.0	0.3	24.0	-32	5.3	-0.1	-1.1	-0.3	-6.7
Second Quintile	5.3	0.0	0.2	36.9	-48	-4.6	-0.1	1.7	-0.2	4.3
Middle Quintile	5.2	0.0	0.1	24.3	-33	-0.6	0.0	8.4	-0.1	12.3
Fourth Quintile	3.2	0.0	0.0	8.8	-13	-0.1	0.0	17.9	0.0	16.4
Top Quintile	2.3	0.0	0.0	5.9	-9	0.0	0.2	72.9	0.0	22.9
All	3.7	0.0	0.1	100.0	-27	-0.2	0.0	100.0	0.0	18.2
Addendum										
80-90	2.8	0.0	0.0	3.8	-11	-0.1	0.0	16.9	0.0	20.0
90-95	2.3	0.0	0.0	1.4	-8	0.0	0.0	12.9	0.0	21.7
95-99	1.2	0.0	0.0	0.6	-5	0.0	0.0	18.9	0.0	23.2
Top 1 Percent	0.9	0.0	0.0	0.1	-3	0.0	0.1	24.2	0.0	26.0
Top 0.1 Percent	0.7	0.0	0.0	0.0	-2	0.0	0.0	11.3	0.0	27.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	30,404	20.1	9,721	-616	10,337	-6.3	2.9	3.8	-1.0
Second Quintile	31,442	20.8	23,355	1,055	22,299	4.5	7.2	8.4	1.8
Middle Quintile	30,041	19.8	42,013	5,199	36,814	12.4	12.4	13.3	8.4
Fourth Quintile	28,695	18.9	70,673	11,571	59,102	16.4	19.9	20.4	17.9
Top Quintile	28,546	18.8	206,036	47,203	158,833	22.9	57.8	54.5	72.7
All	151,485	100.0	67,151	12,230	54,922	18.2	100.0	100.0	100.0
Addendum									
80-90	14,373	9.5	108,323	21,696	86,627	20.0	15.3	15.0	16.8
90-95	7,063	4.7	155,595	33,761	121,835	21.7	10.8	10.3	12.9
95-99	5,714	3.8	263,916	61,252	202,664	23.2	14.8	13.9	18.9
Top 1 Percent	1,395	0.9	1,230,951	320,488	910,463	26.0	16.9	15.3	24.1
Top 0.1 Percent	138	0.1	5,453,825	1,519,710	3,934,115	27.9	7.4	6.5	11.3

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

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

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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 2009 dollars): 20% \$12,190, 40% \$23,068, 60% \$39,409, 80% \$64,658, 90% \$93,477, 95% \$129,830, 99% \$325,380, 99.9% \$1,292,047.

(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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.1	0.0	0.2	69.9	-16	-13.9	-0.1	0.4	-0.2	1.3
Second Quintile	0.7	0.0	0.0	19.7	-5	-0.4	0.0	4.5	0.0	7.8
Middle Quintile	0.3	0.0	0.0	7.8	-2	-0.1	0.0	13.0	0.0	14.5
Fourth Quintile	0.1	0.0	0.0	0.8	0	0.0	0.0	21.0	0.0	18.3
Top Quintile	0.2	0.0	0.0	1.8	-1	0.0	0.1	61.0	0.0	23.4
All	0.5	0.0	0.0	100.0	-6	-0.1	0.0	100.0	0.0	18.2
Addendum										
80-90	0.3	0.0	0.0	1.5	-1	0.0	0.0	18.3	0.0	21.6
90-95	0.1	0.0	0.0	0.2	0	0.0	0.0	10.4	0.0	22.3
95-99	0.1	0.0	0.0	0.1	0	0.0	0.0	14.5	0.0	22.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	17.8	0.0	27.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	8.1	0.0	30.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	16,451	24.8	7,549	116	7,432	1.5	4.9	5.9	0.4	
Second Quintile	15,147	22.9	17,813	1,390	16,423	7.8	10.6	12.0	4.6	
Middle Quintile	13,441	20.3	30,893	4,470	26,423	14.5	16.3	17.1	13.0	
Fourth Quintile	10,616	16.0	50,071	9,150	40,921	18.3	20.9	20.9	21.0	
Top Quintile	9,097	13.7	132,886	31,026	101,860	23.4	47.6	44.6	61.0	
All	66,239	100.0	38,368	6,989	31,379	18.2	100.0	100.0	100.0	
Addendum										
80-90	5,068	7.7	77,094	16,656	60,438	21.6	15.4	14.7	18.2	
90-95	2,009	3.0	107,664	23,992	83,672	22.3	8.5	8.1	10.4	
95-99	1,656	2.5	182,906	40,566	142,340	22.2	11.9	11.3	14.5	
Top 1 Percent	364	0.6	821,224	226,499	594,725	27.6	11.8	10.4	17.8	
Top 0.1 Percent	33	0.1	3,656,717	1,128,143	2,528,574	30.9	4.8	4.0	8.1	

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.

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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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.9	0.0	0.0	4.5	-6	0.7	0.0	-0.5	-0.1	-7.4
Second Quintile	2.9	0.0	0.1	18.3	-18	-1.9	0.0	0.7	-0.1	3.2
Middle Quintile	5.3	0.0	0.0	24.7	-19	-0.3	0.0	5.1	0.0	10.7
Fourth Quintile	4.4	0.0	0.0	27.8	-16	-0.1	0.0	15.6	0.0	15.3
Top Quintile	3.2	0.0	0.0	24.3	-11	0.0	0.0	79.0	0.0	22.8
All	3.6	0.0	0.0	100.0	-14	-0.1	0.0	100.0	0.0	19.2
Addendum										
80-90	4.1	0.0	0.0	14.8	-15	-0.1	0.0	16.4	0.0	19.4
90-95	3.2	0.0	0.0	6.4	-11	0.0	0.0	14.3	0.0	21.5
95-99	1.6	0.0	0.0	2.7	-6	0.0	0.0	21.4	0.0	23.5
Top 1 Percent	1.1	0.0	0.0	0.5	-4	0.0	0.0	26.9	0.0	25.7
Top 0.1 Percent	0.9	0.0	0.0	0.0	-3	0.0	0.0	12.3	0.0	27.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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		
Lowest Quintile	6,136	10.3	12,875	-941	13,816	-7.3	1.2	1.6	-0.5	
Second Quintile	8,527	14.4	29,819	979	28,840	3.3	3.9	4.6	0.7	
Middle Quintile	11,138	18.8	54,366	5,846	48,520	10.8	9.2	10.1	5.1	
Fourth Quintile	15,004	25.3	85,843	13,155	72,688	15.3	19.5	20.5	15.6	
Top Quintile	17,844	30.1	246,015	56,002	190,013	22.8	66.5	63.6	78.9	
All	59,366	100.0	111,151	21,329	89,823	19.2	100.0	100.0	100.0	
Addendum										
80-90	8,278	13.9	129,231	25,039	104,192	19.4	16.2	16.2	16.4	
90-95	4,770	8.0	176,746	37,956	138,790	21.5	12.8	12.4	14.3	
95-99	3,824	6.4	300,894	70,816	230,078	23.5	17.4	16.5	21.4	
Top 1 Percent	973	1.6	1,364,050	349,822	1,014,229	25.7	20.1	18.5	26.9	
Top 0.1 Percent	97	0.2	5,937,145	1,616,892	4,320,253	27.2	8.7	7.8	12.3	

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

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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.

Table T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Lowest Quintile	6.8	0.0	0.7	23.7	-91	4.6	-1.4	-18.9	-0.8	-17.4
Second Quintile	18.1	0.0	0.7	44.6	-176	-50.3	-1.5	1.5	-0.6	0.6
Middle Quintile	19.3	0.0	0.4	26.3	-159	-2.8	0.2	31.6	-0.4	12.1
Fourth Quintile	10.5	0.0	0.1	4.4	-51	-0.4	1.1	37.0	-0.1	17.6
Top Quintile	6.1	0.0	0.0	1.1	-30	-0.1	1.6	48.7	0.0	22.6
All	13.2	0.0	0.4	100.0	-124	-3.4	0.0	100.0	-0.3	9.7
Addendum										
80-90	7.0	0.0	0.0	0.9	-35	-0.2	0.6	18.1	0.0	20.8
90-95	4.3	0.0	0.0	0.1	-18	-0.1	0.3	9.0	0.0	23.6
95-99	4.7	0.0	0.0	0.1	-21	0.0	0.3	9.8	0.0	21.6
Top 1 Percent	5.4	0.0	0.0	0.0	-28	0.0	0.4	11.9	0.0	26.3
Top 0.1 Percent	3.2	0.0	0.0	0.0	-13	0.0	0.2	5.2	0.0	28.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	7,551	32.3	11,945	-1,988	13,933	-16.6	10.5	13.6	-17.5
Second Quintile	7,320	31.3	27,393	351	27,042	1.3	23.3	25.6	3.0
Middle Quintile	4,793	20.5	45,365	5,624	39,741	12.4	25.3	24.6	31.4
Fourth Quintile	2,471	10.6	70,612	12,489	58,123	17.7	20.3	18.6	35.9
Top Quintile	1,112	4.8	160,889	36,386	124,503	22.6	20.8	17.9	47.1
All	23,363	100.0	36,821	3,677	33,145	10.0	100.0	100.0	100.0
Addendum									
80-90	716	3.1	100,757	20,992	79,766	20.8	8.4	7.4	17.5
90-95	215	0.9	147,483	34,750	112,733	23.6	3.7	3.1	8.7
95-99	148	0.6	254,540	54,990	199,550	21.6	4.4	3.8	9.5
Top 1 Percent	34	0.1	1,117,429	293,432	823,997	26.3	4.4	3.6	11.5
Top 0.1 Percent	3	0.0	5,305,520	1,489,081	3,816,438	28.1	1.8	1.4	5.1

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) 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 2009 dollars): 20% \$12,190, 40% \$23,068, 60% \$39,409, 80% \$64,658, 90% \$93,477, 95% \$129,830, 99% \$325,380, 99.9% \$1,292,047.

(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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	6.6	0.0	0.6	22.5	-87	3.4	-0.1	-3.6	-0.7	-20.2
Second Quintile	15.4	0.0	0.5	37.1	-140	-113.4	-0.2	0.0	-0.5	-0.1
Middle Quintile	15.0	0.0	0.2	25.0	-96	-1.4	-0.1	9.4	-0.2	12.1
Fourth Quintile	9.2	0.0	0.1	8.9	-35	-0.2	0.1	20.7	0.0	16.8
Top Quintile	7.7	0.0	0.0	6.3	-29	-0.1	0.4	73.3	0.0	24.0
All	10.8	0.0	0.1	100.0	-79	-0.5	0.0	100.0	-0.1	17.7
Addendum										
80-90	9.3	0.0	0.0	4.0	-36	-0.1	0.1	18.2	0.0	20.7
90-95	7.4	0.0	0.0	1.5	-27	-0.1	0.1	13.4	0.0	22.6
95-99	4.6	0.0	0.0	0.7	-17	0.0	0.1	19.1	0.0	25.2
Top 1 Percent	3.3	0.0	0.0	0.1	-13	0.0	0.1	22.7	0.0	27.4
Top 0.1 Percent	2.5	0.0	0.0	0.0	-9	0.0	0.1	10.3	0.0	28.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	9,895	20.4	13,013	-2,535	15,548	-19.5	3.1	4.5	-3.4
Second Quintile	10,159	21.0	31,000	124	30,876	0.4	7.6	9.3	0.2
Middle Quintile	10,031	20.7	56,459	6,949	49,510	12.3	13.7	14.6	9.5
Fourth Quintile	9,663	20.0	93,062	15,639	77,423	16.8	21.8	22.1	20.6
Top Quintile	8,322	17.2	267,525	64,238	203,287	24.0	54.0	49.9	73.0
All	48,399	100.0	85,231	15,134	70,096	17.8	100.0	100.0	100.0
Addendum									
80-90	4,283	8.9	149,518	30,985	118,533	20.7	15.5	15.0	18.1
90-95	2,173	4.5	199,171	45,032	154,139	22.6	10.5	9.9	13.4
95-99	1,497	3.1	368,358	92,865	275,492	25.2	13.4	12.2	19.0
Top 1 Percent	370	0.8	1,628,577	446,581	1,181,996	27.4	14.6	12.9	22.5
Top 0.1 Percent	36	0.1	7,271,441	2,068,709	5,202,731	28.5	6.4	5.6	10.3

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

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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 2009 dollars): 20% \$12,190, 40% \$23,068, 60% \$39,409, 80% \$64,658, 90% \$93,477, 95% \$129,830, 99% \$325,380, 99.9% \$1,292,047.

(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 T09-0381
Expand the Child and Dependent Care Tax Credit (CDCTC)
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	0.0	0.0	13.8	0	0.4	0.0	-0.1	0.0	-0.7
Second Quintile	0.0	0.0	0.0	6.6	0	0.0	0.0	0.9	0.0	1.6
Middle Quintile	0.2	0.0	0.0	60.1	-1	-0.1	0.0	2.7	0.0	3.4
Fourth Quintile	0.0	0.0	0.0	14.4	0	0.0	0.0	11.0	0.0	8.5
Top Quintile	0.0	0.0	0.0	5.2	0	0.0	0.0	85.5	0.0	19.6
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	13.9
Addendum										
80-90	0.1	0.0	0.0	3.2	0	0.0	0.0	10.5	0.0	13.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.3	0.0	15.8
95-99	0.0	0.0	0.0	1.4	0	0.0	0.0	22.8	0.0	18.9
Top 1 Percent	0.2	0.0	0.0	0.7	0	0.0	0.0	40.9	0.0	24.9
Top 0.1 Percent	0.1	0.0	0.0	0.1	0	0.0	0.0	20.2	0.0	27.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	4,744	16.6	9,538	-67	9,605	-0.7	2.4	2.8	-0.1
Second Quintile	7,620	26.7	19,830	314	19,516	1.6	8.0	9.2	0.9
Middle Quintile	5,499	19.3	37,452	1,284	36,168	3.4	11.0	12.3	2.7
Fourth Quintile	5,297	18.5	63,972	5,421	58,551	8.5	18.0	19.2	11.0
Top Quintile	5,190	18.2	219,864	43,171	176,693	19.6	60.7	56.7	85.5
All	28,567	100.0	65,824	9,178	56,646	13.9	100.0	100.0	100.0
Addendum									
80-90	2,154	7.5	96,248	12,747	83,501	13.2	11.0	11.1	10.5
90-95	1,320	4.6	141,516	22,408	119,109	15.8	9.9	9.7	11.3
95-99	1,333	4.7	237,381	44,774	192,607	18.9	16.8	15.9	22.8
Top 1 Percent	383	1.3	1,124,938	280,458	844,481	24.9	22.9	20.0	40.9
Top 0.1 Percent	41	0.1	4,698,838	1,302,489	3,396,349	27.7	10.2	8.5	20.2

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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