

Table T09-0382
Expansion of Child and Dependent Care Tax Credit (CDCTC)
Returns and Amount Reported Compared to Current Law Assuming 50-Percent Participation Rate, 2009 ¹

Cash Income Class (thousands of 2009 dollars) ^{2,3}	Current Law					Expanded CDCTC					Change Due to Expansion					
	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit	
	Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percentage	Amount (\$ millions)	Percentage	Dollars	Percentage
Less than 10	0	0.0	0.0	0.0	n/a	219	2.8	370.0	4.7	1,692	219	n/a	370.0	n/a	1,692	n/a
10-20	147	2.1	25.1	0.7	170	568	7.3	664.1	8.4	1,170	420	285.2	639.0	2545.3	999	586.7
20-30	703	10.2	299.3	8.2	426	874	11.2	1,165.9	14.8	1,334	171	24.4	866.6	289.6	908	213.2
30-40	838	12.1	464.5	12.7	554	874	11.2	1,193.1	15.1	1,366	35	4.2	728.6	156.8	811	146.4
40-50	651	9.4	369.1	10.1	567	671	8.6	909.7	11.5	1,355	20	3.1	540.6	146.5	788	139.1
50-75	1,228	17.8	690.6	18.9	562	1,254	16.0	1,210.1	15.4	965	25	2.1	519.5	75.2	403	71.7
75-100	1,158	16.8	614.0	16.8	530	1,170	15.0	810.2	10.3	692	13	1.1	196.2	31.9	162	30.5
100-200	1,803	26.1	990.7	27.1	549	1,812	23.2	1,285.2	16.3	709	8	0.5	294.4	29.7	160	29.1
200-500	330	4.8	179.3	4.9	544	331	4.2	229.6	2.9	695	1	0.3	50.3	28.1	151	27.7
500-1,000	36	0.5	21.8	0.6	607	36	0.5	28.1	0.4	775	0	0.9	6.3	28.8	168	27.6
More than 1,000	9	0.1	6.2	0.2	654	9	0.1	8.0	0.1	851	0	0.1	1.9	30.3	198	30.2
All	6,904	100.0	3,660.8	100.0	530	7,821	100.0	7,877.8	100.0	1,007	917	13.3	4,217.1	115.2	477	90.0

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

(1) Calendar year. 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. Tax units that are dependents of other taxpayers are excluded from the analysis.