

**Table T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2010 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	13.7	0.0	0.5	81.5	-50	-0.5	-0.5
Second Quintile	2.9	0.0	0.0	15.2	-10	0.0	7.2
Middle Quintile	0.5	0.0	0.0	2.2	-2	0.0	14.0
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	18.4
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	24.3
All	4.1	0.0	0.0	100.0	-15	0.0	19.4
<b>Addendum</b>							
80-90	0.0	0.0	0.0	0.1	0	0.0	21.4
90-95	0.1	0.0	0.0	0.0	0	0.0	24.2
95-99	0.0	0.0	0.0	0.0	0	0.0	25.1
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	26.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	27.8
<b>Addenda (in millions) <sup>7</sup></b>							
	<b>Tax Units Claiming CTC</b>	Baseline: 35.0	Proposal: 35.6				
	<b>Children in Tax Units Claiming CTC</b>	Baseline: 59.7	Proposal: 60.6				
	<b>Tax Units with Increased CTC:</b>	5.7					
	<b>Children in Tax Units with Increased CTC:</b>	11.0					

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 28.1 Proposal: 28.1

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$17,801, 40% \$34,756, 60% \$63,413, 80% \$104,227, 90% \$166,424, 95% \$209,111, 99% \$532,462, 99.9% \$2,207,184.

(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.

(7) Children refers to children under age 17 eligible for the child tax credit. Tax units with increased CTC include only those who reported a positive CTC in the baseline and a larger CTC under the proposal.

**Table T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2010<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	13.7	0.0	0.5	81.5	-50	887.8	-0.1	-0.1	-0.5	-0.5
Second Quintile	2.9	0.0	0.0	15.2	-10	-0.5	0.0	3.1	0.0	7.2
Middle Quintile	0.5	0.0	0.0	2.2	-2	0.0	0.0	10.0	0.0	14.0
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.0	19.0	0.0	18.4
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	68.0	0.0	24.3
All	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.4
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	15.7	0.0	21.4
90-95	0.1	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	24.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.6	0.0	25.1
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	22.7	0.0	26.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.3	0.0	27.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	37,187	24.2	10,410	-6	10,415	-0.1	3.6	4.5	0.0	
Second Quintile	34,258	22.3	25,965	1,866	24,099	7.2	8.3	9.6	3.1	
Middle Quintile	31,069	20.2	47,675	6,687	40,988	14.0	13.8	14.8	10.0	
Fourth Quintile	25,876	16.9	82,850	15,261	67,588	18.4	20.0	20.3	19.0	
Top Quintile	22,637	14.8	257,308	62,391	194,917	24.3	54.4	51.2	67.9	
All	153,472	100.0	69,715	13,559	56,155	19.5	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	11,487	7.5	132,754	28,445	104,309	21.4	14.3	13.9	15.7	
90-95	5,443	3.6	188,238	45,588	142,650	24.2	9.6	9.0	11.9	
95-99	4,545	3.0	321,162	80,503	240,659	25.1	13.6	12.7	17.6	
Top 1 Percent	1,163	0.8	1,560,914	405,449	1,155,464	26.0	17.0	15.6	22.7	
Top 0.1 Percent	117	0.1	7,239,490	2,008,917	5,230,573	27.8	7.9	7.1	11.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 28.1 Proposal: 28.1

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$17,801, 40% \$34,756, 60% \$63,413, 80% \$104,227, 90% \$166,424, 95% \$209,111, 99% \$532,462, 99.9% \$2,207,184.

(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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	18.9	0.0	0.7	92.6	-69	12.7	-0.1	-0.9	-0.7	-6.2
Second Quintile	1.2	0.0	0.0	5.4	-4	-0.3	0.0	1.9	0.0	5.2
Middle Quintile	0.2	0.0	0.0	1.0	-1	0.0	0.0	8.1	0.0	13.1
Fourth Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	17.8	0.0	17.6
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	72.9	0.0	24.2
All	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.4
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	17.1	0.0	22.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	23.5
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	19.1	0.0	24.9
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	23.7	0.0	25.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.6	0.0	27.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	30,566	19.9	9,795	-541	10,336	-5.5	2.8	3.7	-0.8
Second Quintile	31,898	20.8	23,503	1,223	22,280	5.2	7.0	8.3	1.9
Middle Quintile	30,561	19.9	42,386	5,538	36,848	13.1	12.1	13.1	8.1
Fourth Quintile	29,161	19.0	72,129	12,717	59,412	17.6	19.7	20.1	17.8
Top Quintile	28,841	18.8	217,694	52,569	165,125	24.2	58.7	55.3	72.9
All	153,472	100.0	69,715	13,559	56,155	19.5	100.0	100.0	100.0
<b>Addendum</b>									
80-90	14,484	9.4	111,861	24,550	87,311	22.0	15.1	14.7	17.1
90-95	7,180	4.7	161,152	37,808	123,344	23.5	10.8	10.3	13.1
95-99	5,765	3.8	276,060	68,667	207,393	24.9	14.9	13.9	19.0
Top 1 Percent	1,411	0.9	1,353,035	349,450	1,003,584	25.8	17.9	16.4	23.7
Top 0.1 Percent	139	0.1	6,315,898	1,741,171	4,574,727	27.6	8.2	7.4	11.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 28.1

Proposal: 28.1

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$12,047, 40% \$22,949, 60% \$39,314, 80% \$65,826, 90% \$95,193, 95% \$132,881, 99% \$336,285, 99.9% \$1,353,961.

(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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	5.6	0.0	0.3	95.9	-20	-10.1	-0.1	0.6	-0.3	2.3
Second Quintile	0.2	0.0	0.0	3.4	-1	-0.1	0.0	4.8	0.0	8.5
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	13.0	0.0	15.0
Fourth Quintile	0.0	0.0	0.0	0.4	0	0.0	0.0	21.0	0.0	18.9
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	60.6	0.0	23.3
All	1.4	0.0	0.0	100.0	-5	-0.1	0.0	100.0	0.0	18.6
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	18.8	0.0	22.4
90-95	0.1	0.0	0.0	0.2	0	0.0	0.0	9.9	0.0	22.7
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	15.1	0.0	23.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	16.8	0.0	25.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	7.6	0.0	27.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Lowest Quintile	16,343	24.4	7,573	196	7,376	2.6	4.7	5.6	0.7
Second Quintile	15,522	23.1	17,976	1,520	16,457	8.5	10.5	11.8	4.8
Middle Quintile	13,718	20.5	31,318	4,686	26,631	15.0	16.2	16.9	13.0
Fourth Quintile	10,722	16.0	51,127	9,676	41,450	18.9	20.6	20.6	21.0
Top Quintile	9,238	13.8	139,017	32,432	106,586	23.3	48.4	45.6	60.5
All	67,097	100.0	39,588	7,376	32,212	18.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	5,229	7.8	79,308	17,786	61,522	22.4	15.6	14.9	18.8
90-95	1,939	2.9	111,081	25,239	85,842	22.7	8.1	7.7	9.9
95-99	1,694	2.5	190,375	44,025	146,350	23.1	12.1	11.5	15.1
Top 1 Percent	377	0.6	880,096	220,474	659,622	25.1	12.5	11.5	16.8
Top 0.1 Percent	34	0.1	4,088,122	1,110,649	2,977,473	27.2	5.2	4.7	7.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$12,047, 40% \$22,949, 60% \$39,314, 80% \$65,826, 90% \$95,193, 95% \$132,881, 99% \$336,285, 99.9% \$1,353,961.

(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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	17.2	0.0	0.5	85.5	-65	8.3	0.0	-0.4	-0.5	-6.6
Second Quintile	1.7	0.0	0.0	9.0	-5	-0.4	0.0	0.7	0.0	4.0
Middle Quintile	0.2	0.0	0.0	1.9	-1	0.0	0.0	4.9	0.0	11.5
Fourth Quintile	0.1	0.0	0.0	0.6	0	0.0	0.0	15.4	0.0	16.8
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	79.2	0.0	24.4
All	2.2	0.0	0.0	100.0	-8	0.0	0.0	100.0	0.0	20.7
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	16.7	0.0	21.7
90-95	0.0	0.0	0.0	0.1	0	0.0	0.0	14.7	0.0	23.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.3	0.0	25.4
Top 1 Percent	0.1	0.0	0.0	0.1	0	0.0	0.0	26.5	0.0	25.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.9	0.0	27.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Lowest Quintile	6,298	10.5	12,904	-789	13,693	-6.1	1.2	1.6	-0.3
Second Quintile	8,603	14.3	30,028	1,205	28,824	4.0	3.7	4.5	0.7
Middle Quintile	11,285	18.8	54,754	6,299	48,455	11.5	8.9	9.9	4.9
Fourth Quintile	15,152	25.2	87,591	14,681	72,910	16.8	19.1	20.0	15.4
Top Quintile	18,029	30.0	260,413	63,404	197,010	24.4	67.4	64.4	79.2
All	60,097	100.0	115,873	24,021	91,852	20.7	100.0	100.0	100.0
<b>Addendum</b>									
80-90	8,271	13.8	134,243	29,127	105,117	21.7	15.9	15.8	16.7
90-95	4,951	8.2	181,773	42,861	138,912	23.6	12.9	12.5	14.7
95-99	3,831	6.4	316,063	80,321	235,742	25.4	17.4	16.4	21.3
Top 1 Percent	976	1.6	1,510,550	391,794	1,118,756	25.9	21.2	19.8	26.5
Top 0.1 Percent	97	0.2	6,947,932	1,919,150	5,028,781	27.6	9.7	8.8	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 to \$0.

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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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	48.9	0.0	1.3	94.1	-178	9.1	-1.6	-16.6	-1.5	-17.7
Second Quintile	2.8	0.0	0.0	4.7	-9	-1.8	0.0	3.9	0.0	1.9
Middle Quintile	0.8	0.0	0.0	1.0	-3	-0.1	0.4	30.1	0.0	13.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.5	37.5	0.0	19.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.7	45.1	0.0	23.8
All	16.8	0.0	0.2	100.0	-61	-1.5	0.0	100.0	-0.2	11.0
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.2	16.4	0.0	22.6
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	8.6	0.0	25.0
95-99	0.2	0.0	0.0	0.0	-1	0.0	0.1	9.2	0.0	22.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	11.0	0.0	26.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	5.1	0.0	27.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	7,663	32.2	12,034	-1,950	13,984	-16.2	10.3	13.5	-15.0	
Second Quintile	7,353	30.9	27,649	525	27,124	1.9	22.7	25.1	3.9	
Middle Quintile	4,898	20.6	45,701	6,042	39,659	13.2	25.0	24.4	29.7	
Fourth Quintile	2,645	11.1	72,314	13,925	58,389	19.3	21.4	19.4	36.9	
Top Quintile	1,095	4.6	170,177	40,502	129,675	23.8	20.8	17.8	44.5	
All	23,770	100.0	37,673	4,196	33,477	11.1	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	687	2.9	103,894	23,439	80,455	22.6	8.0	6.9	16.1	
90-95	224	0.9	151,119	37,743	113,377	25.0	3.8	3.2	8.5	
95-99	150	0.6	265,318	60,058	205,260	22.6	4.4	3.9	9.0	
Top 1 Percent	34	0.1	1,230,691	321,251	909,440	26.1	4.6	3.8	10.8	
Top 0.1 Percent	3	0.0	5,852,872	1,620,400	4,232,472	27.7	2.0	1.7	5.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. Proposal would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$12,047, 40% \$22,949, 60% \$39,314, 80% \$65,826, 90% \$95,193, 95% \$132,881, 99% \$336,285, 99.9% \$1,353,961.

(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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	50.8	0.0	1.2	92.4	-185	7.5	-0.2	-3.2	-1.4	-20.4
Second Quintile	3.5	0.0	0.0	5.5	-11	-3.3	0.0	0.4	0.0	1.0
Middle Quintile	0.5	0.0	0.0	1.1	-2	0.0	0.0	9.1	0.0	13.4
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.1	20.5	0.0	18.7
Top Quintile	0.1	0.0	0.0	0.1	0	0.0	0.2	73.1	0.0	25.8
All	11.4	0.0	0.1	100.0	-41	-0.2	0.0	100.0	-0.1	19.5
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	19.2	0.0	23.8
90-95	0.1	0.0	0.0	0.1	0	0.0	0.0	13.0	0.0	25.0
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	18.6	0.0	26.8
Top 1 Percent	0.3	0.0	0.0	0.0	-1	0.0	0.1	22.2	0.0	27.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	10.7	0.0	28.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	9,976	20.6	13,091	-2,483	15,574	-19.0	3.0	4.5	-3.0
Second Quintile	10,127	20.9	31,283	326	30,958	1.0	7.4	9.1	0.4
Middle Quintile	10,010	20.6	57,142	7,631	49,511	13.4	13.3	14.3	9.1
Fourth Quintile	9,708	20.0	94,671	17,693	76,978	18.7	21.4	21.6	20.5
Top Quintile	8,363	17.2	282,936	73,100	209,836	25.8	55.1	50.8	72.9
All	48,527	100.0	88,512	17,285	71,227	19.5	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,339	8.9	155,933	37,062	118,870	23.8	15.8	14.9	19.2
90-95	2,136	4.4	204,142	51,071	153,070	25.0	10.2	9.5	13.0
95-99	1,512	3.1	384,102	103,052	281,050	26.8	13.5	12.3	18.6
Top 1 Percent	377	0.8	1,786,692	492,914	1,293,778	27.6	15.7	14.1	22.1
Top 0.1 Percent	37	0.1	8,353,518	2,397,622	5,955,895	28.7	7.3	6.5	10.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

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 would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$12,047, 40% \$22,949, 60% \$39,314, 80% \$65,826, 90% \$95,193, 95% \$132,881, 99% \$336,285, 99.9% \$1,353,961.

(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 T09-0494**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.4	0.0	0.1	68.3	-4	-3.5	0.0	0.2	0.0	1.2
Second Quintile	0.2	0.0	0.0	17.9	-1	-0.1	0.0	1.4	0.0	2.7
Middle Quintile	0.2	0.0	0.0	12.6	-1	0.0	0.0	3.1	0.0	4.2
Fourth Quintile	0.0	0.0	0.0	0.4	0	0.0	0.0	11.2	0.0	9.5
Top Quintile	0.0	0.0	0.0	0.7	0	0.0	0.0	84.1	0.0	20.2
All	0.3	0.0	0.0	100.0	-1	0.0	0.0	100.0	0.0	14.8
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	10.8	0.0	14.5
90-95	0.1	0.0	0.0	0.6	0	0.0	0.0	12.1	0.0	17.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	23.4	0.0	20.5
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	37.9	0.0	23.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	18.7	0.0	25.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2010<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	4,539	15.6	9,713	123	9,589	1.3	2.2	2.5	0.2
Second Quintile	7,785	26.7	20,134	553	19,582	2.7	7.8	8.8	1.4
Middle Quintile	5,833	20.0	37,705	1,596	36,109	4.2	10.9	12.2	3.1
Fourth Quintile	5,369	18.4	66,000	6,240	59,760	9.5	17.5	18.6	11.2
Top Quintile	5,417	18.6	230,749	46,532	184,217	20.2	61.8	57.9	84.1
All	29,160	100.0	69,393	10,284	59,109	14.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	2,256	7.7	98,991	14,370	84,621	14.5	11.0	11.1	10.8
90-95	1,390	4.8	148,120	25,997	122,123	17.6	10.2	9.9	12.1
95-99	1,375	4.7	247,873	50,918	196,955	20.5	16.8	15.7	23.3
Top 1 Percent	396	1.4	1,212,770	286,813	925,957	23.7	23.7	21.3	37.8
Top 0.1 Percent	40	0.1	5,487,716	1,415,169	4,072,547	25.8	10.8	9.4	18.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

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 would reduce the earnings threshold for the refundable child tax credit from \$3,000 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) 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% \$12,047, 40% \$22,949, 60% \$39,314, 80% \$65,826, 90% \$95,193, 95% \$132,881, 99% \$336,285, 99.9% \$1,353,961.

(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.