

**Table T10-0010**  
**Expand Child and Dependent Care Tax Credit (CDCTC)**  
**Impact on Individual Income Tax Revenue (\$ billions), 2011-20<sup>1</sup>**

	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-20
<b>Opt 1: Extend EGTRRA Provisions and Allow Against</b>	-0.3	-1.6	-1.8	-1.9	-2.1	-2.3	-2.4	-2.6	-2.8	-3.0	-20.7
<b>Opt 2: Increase Phaseout Threshold to \$85,000<sup>3</sup></b>	-0.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3	-1.3	-1.4	-1.4	-11.9
<b>Incremental Cost of Full Refundability</b>											
<b>Assuming Low Participation<sup>4</sup></b>	-0.5	-2.3	-2.2	-2.2	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-20.9
<b>Assuming High Participation<sup>5</sup></b>	-0.6	-3.0	-3.0	-3.0	-3.0	-3.0	-3.1	-3.1	-3.1	-3.2	-28.1
<b>Total Cost of Option 2 with Full Refundability<sup>6</sup></b>											
<b>Assuming Low Participation</b>	-0.7	-3.4	-3.5	-3.5	-3.6	-3.6	-3.6	-3.6	-3.7	-3.7	-32.8
<b>Assuming High Participation</b>	-0.8	-4.2	-4.2	-4.3	-4.3	-4.3	-4.4	-4.4	-4.5	-4.6	-40.0

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

(1) Estimates include a microdynamic behavioral response. Estimates assume an elasticity of taxable income with respect to (1 - marginal rate) of 0.25. Revenue numbers assume a 20-80 split. The actual effect on receipts could differ.

(2) Baseline is current law. Provisions include: increasing the maximum credit rate to 35 percent; increasing the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increasing the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allowing the credit regardless of tentative AMT.

(3) Baseline is current law plus extension of the EGTRRA CDCTC provisions and allowance of the credit regardless of tentative AMT. Provision would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000 of AGI.

(4) Assumes 50-percent participation for newly-eligible tax units. Baseline is extension of EGTRRA and AMT allowance plus \$85,000 threshold.

(5) Assumes 90-percent participation for newly-eligible tax units. Baseline is extension of EGTRRA and AMT allowance plus \$85,000 threshold.

(6) Baseline is extension of EGTRRA and AMT allowance.