

Table T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile, 2011 ¹
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	3.0	0.0	0.3	33.8	-28	-0.3	4.4
Second Quintile	4.4	0.0	0.1	24.0	-21	-0.1	11.1
Middle Quintile	5.2	0.0	0.0	16.2	-16	0.0	17.2
Fourth Quintile	6.7	0.0	0.0	22.5	-26	0.0	21.1
Top Quintile	1.8	0.0	0.0	3.3	-4	0.0	27.7
All	4.2	0.0	0.0	100.0	-20	0.0	22.9
Addendum							
80-90	3.4	0.0	0.0	3.2	-8	0.0	23.9
90-95	0.1	0.0	0.0	0.1	0	0.0	25.8
95-99	0.1	0.0	0.0	0.1	0	0.0	27.3
Top 1 Percent	0.2	0.0	0.0	0.0	0	0.0	32.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	35.4

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

Number of AMT Taxpayers (millions). Baseline: 16.6

Proposal: 16.8

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$17,709, 40% \$34,668, 60% \$63,846, 80% \$104,388, 90% \$167,146, 95% \$210,251, 99% \$555,037, 99.9% \$2,351,648.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile, 2011 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	3.0	0.0	0.3	33.8	-28	-5.7	0.0	0.7	-0.3	4.4
Second Quintile	4.4	0.0	0.1	24.0	-21	-0.7	0.0	4.0	-0.1	11.1
Middle Quintile	5.2	0.0	0.0	16.2	-16	-0.2	0.0	10.2	0.0	17.2
Fourth Quintile	6.7	0.0	0.0	22.5	-26	-0.2	0.0	18.3	0.0	21.1
Top Quintile	1.8	0.0	0.0	3.3	-4	0.0	0.1	66.6	0.0	27.7
All	4.2	0.0	0.0	100.0	-20	-0.1	0.0	100.0	0.0	22.9
Addendum										
80-90	3.4	0.0	0.0	3.2	-8	0.0	0.0	14.9	0.0	23.9
90-95	0.1	0.0	0.0	0.1	0	0.0	0.0	10.7	0.0	25.8
95-99	0.1	0.0	0.0	0.1	0	0.0	0.0	16.5	0.0	27.3
Top 1 Percent	0.2	0.0	0.0	0.0	0	0.0	0.0	24.6	0.0	32.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.6	0.0	35.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011 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 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	37,292	24.0	10,481	487	9,993	4.7	3.5	4.3	0.7
Second Quintile	34,806	22.4	26,186	2,939	23,247	11.2	8.2	9.4	4.0
Middle Quintile	31,498	20.3	48,373	8,316	40,057	17.2	13.7	14.7	10.3
Fourth Quintile	26,231	16.9	84,329	17,837	66,492	21.2	19.9	20.3	18.3
Top Quintile	22,974	14.8	267,017	74,046	192,971	27.7	55.1	51.7	66.6
All	155,368	100.0	71,667	16,448	55,219	23.0	100.0	100.0	100.0
Addendum									
80-90	11,625	7.5	136,507	32,666	103,841	23.9	14.3	14.1	14.9
90-95	5,563	3.6	191,223	49,251	141,971	25.8	9.6	9.2	10.7
95-99	4,611	3.0	333,276	91,067	242,209	27.3	13.8	13.0	16.4
Top 1 Percent	1,175	0.8	1,657,137	534,066	1,123,071	32.2	17.5	15.4	24.6
Top 0.1 Percent	119	0.1	7,672,765	2,714,591	4,958,174	35.4	8.2	6.9	12.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).
 Number of AMT Taxpayers (millions). Baseline: 16.6 Proposal: 16.8

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$17,709, 40% \$34,668, 60% \$63,846, 80% \$104,388, 90% \$167,146, 95% \$210,251, 99% \$555,037, 99.9% \$2,351,648.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011 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	4.4	0.0	0.4	40.1	-40	-32.6	-0.1	0.1	-0.4	0.8
Second Quintile	5.2	0.0	0.1	21.4	-20	-0.9	0.0	2.9	-0.1	9.7
Middle Quintile	5.5	0.0	0.1	19.1	-19	-0.3	0.0	8.5	0.0	16.3
Fourth Quintile	5.6	0.0	0.0	18.2	-19	-0.1	0.0	17.2	0.0	20.1
Top Quintile	0.4	0.0	0.0	1.1	-1	0.0	0.1	71.2	0.0	27.6
All	4.2	0.0	0.0	100.0	-20	-0.1	0.0	100.0	0.0	22.9
Addendum										
80-90	0.7	0.0	0.0	1.0	-2	0.0	0.0	15.8	0.0	24.1
90-95	0.1	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	25.3
95-99	0.1	0.0	0.0	0.0	0	0.0	0.0	17.7	0.0	27.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	25.7	0.0	32.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	35.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011 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 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	30,760	19.8	9,877	122	9,755	1.2	2.7	3.5	0.2
Second Quintile	32,347	20.8	23,756	2,334	21,422	9.8	6.9	8.1	3.0
Middle Quintile	31,060	20.0	42,993	7,009	35,984	16.3	12.0	13.0	8.5
Fourth Quintile	29,561	19.0	73,609	14,830	58,778	20.2	19.5	20.3	17.2
Top Quintile	29,073	18.7	226,631	62,467	164,164	27.6	59.2	55.6	71.1
All	155,368	100.0	71,667	16,448	55,219	23.0	100.0	100.0	100.0
Addendum									
80-90	14,540	9.4	115,046	27,707	87,340	24.1	15.0	14.8	15.8
90-95	7,282	4.7	165,470	41,820	123,651	25.3	10.8	10.5	11.9
95-99	5,823	3.8	286,103	77,646	208,457	27.1	15.0	14.2	17.7
Top 1 Percent	1,428	0.9	1,431,804	459,674	972,130	32.1	18.4	16.2	25.7
Top 0.1 Percent	142	0.1	6,683,662	2,357,235	4,326,427	35.3	8.5	7.2	13.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).
Number of AMT Taxpayers (millions). Baseline: 16.6 Proposal: 16.8

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011 ¹
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	1.8	0.0	0.2	84.9	-17	-3.1	0.0	1.4	-0.2	6.9
Second Quintile	0.8	0.0	0.0	9.0	-2	-0.1	0.0	5.2	0.0	11.2
Middle Quintile	0.3	0.0	0.0	4.2	-1	0.0	0.0	12.7	0.0	17.6
Fourth Quintile	0.1	0.0	0.0	0.9	0	0.0	0.0	19.6	0.0	21.2
Top Quintile	0.1	0.0	0.0	1.0	0	0.0	0.0	60.9	0.0	28.3
All	0.7	0.0	0.0	100.0	-5	-0.1	0.0	100.0	0.0	22.5
Addendum										
80-90	0.2	0.0	0.0	1.0	-1	0.0	0.0	17.4	0.0	25.1
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	8.6	0.0	25.8
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	15.1	0.0	27.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	19.9	0.0	34.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	9.4	0.0	38.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011 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 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	16,453	24.2	7,653	548	7,105	7.2	4.6	5.5	1.5
Second Quintile	15,785	23.3	18,188	2,040	16,148	11.2	10.5	12.0	5.2
Middle Quintile	14,027	20.7	31,881	5,597	26,284	17.6	16.3	17.3	12.7
Fourth Quintile	10,881	16.0	52,390	11,110	41,280	21.2	20.8	21.1	19.6
Top Quintile	9,172	13.5	144,769	41,017	103,752	28.3	48.4	44.7	60.9
All	67,885	100.0	40,448	9,101	31,347	22.5	100.0	100.0	100.0
Addendum									
80-90	5,247	7.7	81,466	20,462	61,004	25.1	15.6	15.0	17.4
90-95	1,793	2.6	114,230	29,432	84,797	25.8	7.5	7.2	8.5
95-99	1,749	2.6	195,211	53,124	142,087	27.2	12.4	11.7	15.0
Top 1 Percent	383	0.6	924,978	321,685	603,294	34.8	12.9	10.9	19.9
Top 0.1 Percent	34	0.1	4,473,332	1,728,410	2,744,922	38.6	5.5	4.3	9.4

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

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	1.7	0.0	0.1	7.7	-10	-3.9	0.0	0.1	-0.1	1.9
Second Quintile	3.6	0.0	0.0	11.2	-10	-0.3	0.0	1.5	0.0	9.8
Middle Quintile	6.5	0.0	0.1	32.4	-23	-0.3	0.0	5.5	0.0	15.1
Fourth Quintile	8.0	0.0	0.0	46.9	-25	-0.1	0.0	15.2	0.0	19.4
Top Quintile	0.4	0.0	0.0	1.5	-1	0.0	0.0	77.6	0.0	27.4
All	4.0	0.0	0.0	100.0	-13	-0.1	0.0	100.0	0.0	24.0
Addendum										
80-90	0.7	0.0	0.0	1.3	-1	0.0	0.0	15.6	0.0	23.7
90-95	0.1	0.0	0.0	0.1	0	0.0	0.0	13.8	0.0	25.2
95-99	0.1	0.0	0.0	0.1	0	0.0	0.0	19.7	0.0	27.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	28.5	0.0	31.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.4	0.0	34.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	6,220	10.2	12,978	254	12,724	2.0	1.1	1.4	0.1
Second Quintile	8,746	14.4	30,404	3,003	27,401	9.9	3.7	4.3	1.5
Middle Quintile	11,392	18.7	55,534	8,399	47,135	15.1	8.7	9.7	5.5
Fourth Quintile	15,301	25.2	89,245	17,370	71,875	19.5	18.8	19.9	15.2
Top Quintile	18,311	30.1	270,238	73,941	196,298	27.4	68.1	65.1	77.5
All	60,792	100.0	119,608	28,721	90,887	24.0	100.0	100.0	100.0
Addendum									
80-90	8,308	13.7	138,140	32,723	105,418	23.7	15.8	15.9	15.6
90-95	5,185	8.5	184,120	46,350	137,770	25.2	13.1	12.9	13.8
95-99	3,832	6.3	329,973	89,819	240,153	27.2	17.4	16.7	19.7
Top 1 Percent	986	1.6	1,603,838	504,561	1,099,278	31.5	21.8	19.6	28.5
Top 0.1 Percent	100	0.2	7,292,608	2,524,969	4,767,639	34.6	10.0	8.6	14.4

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

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	12.0	0.0	0.9	46.2	-113	12.4	-0.7	-5.8	-0.9	-8.4
Second Quintile	16.5	0.0	0.3	27.9	-72	-3.5	-0.2	10.7	-0.3	7.2
Middle Quintile	18.4	0.0	0.2	16.0	-61	-0.8	0.2	27.5	-0.1	16.5
Fourth Quintile	15.6	0.0	0.1	8.9	-62	-0.4	0.3	31.0	-0.1	21.2
Top Quintile	3.8	0.0	0.0	1.0	-16	0.0	0.5	36.5	0.0	26.0
All	14.7	0.0	0.2	100.0	-79	-1.4	0.0	100.0	-0.2	14.9
Addendum										
80-90	6.0	0.0	0.0	0.9	-26	-0.1	0.2	12.5	0.0	23.8
90-95	0.5	0.0	0.0	0.0	-2	0.0	0.1	6.8	0.0	25.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	7.3	0.0	24.3
Top 1 Percent	0.8	0.0	0.0	0.0	-5	0.0	0.1	9.9	0.0	32.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	4.9	0.0	34.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	7,828	32.4	12,145	-907	13,052	-7.5	10.2	13.0	-5.1
Second Quintile	7,381	30.5	27,927	2,077	25,850	7.4	22.2	24.2	10.9
Middle Quintile	4,991	20.6	46,364	7,713	38,651	16.6	24.9	24.5	27.4
Fourth Quintile	2,741	11.3	74,093	15,733	58,360	21.2	21.9	20.3	30.7
Top Quintile	1,111	4.6	175,378	45,585	129,793	26.0	21.0	18.3	36.0
All	24,178	100.0	38,406	5,816	32,590	15.1	100.0	100.0	100.0
Addendum									
80-90	682	2.8	106,498	25,417	81,080	23.9	7.8	7.0	12.3
90-95	241	1.0	155,730	39,258	116,472	25.2	4.1	3.6	6.7
95-99	155	0.6	269,959	65,464	204,495	24.3	4.5	4.0	7.2
Top 1 Percent	32	0.1	1,323,451	423,592	899,859	32.0	4.6	3.7	9.7
Top 0.1 Percent	3	0.0	6,199,747	2,164,681	4,035,067	34.9	2.1	1.6	4.9

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

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	11.6	0.0	0.7	38.0	-104	9.4	-0.1	-1.2	-0.8	-9.3
Second Quintile	15.1	0.0	0.2	21.2	-58	-2.2	-0.1	2.6	-0.2	8.1
Middle Quintile	16.3	0.0	0.1	20.2	-56	-0.6	0.0	10.0	-0.1	17.4
Fourth Quintile	16.5	0.0	0.1	19.3	-55	-0.3	0.0	19.7	-0.1	21.4
Top Quintile	1.3	0.0	0.0	1.2	-4	0.0	0.2	68.8	0.0	28.5
All	12.4	0.0	0.1	100.0	-57	-0.3	0.0	100.0	-0.1	23.0
Addendum										
80-90	2.3	0.0	0.0	1.1	-7	0.0	0.1	17.7	0.0	25.2
90-95	0.3	0.0	0.0	0.1	-1	0.0	0.0	10.8	0.0	25.9
95-99	0.2	0.0	0.0	0.0	-1	0.0	0.1	17.0	0.0	28.4
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.1	23.3	0.0	33.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.5	0.0	35.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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-	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	10,146	20.8	13,131	-1,114	14,245	-8.5	3.0	4.3	-1.1
Second Quintile	10,182	20.8	31,660	2,616	29,044	8.3	7.3	8.7	2.6
Middle Quintile	10,047	20.5	58,167	10,184	47,983	17.5	13.2	14.2	10.0
Fourth Quintile	9,721	19.9	96,287	20,643	75,644	21.4	21.2	21.6	19.7
Top Quintile	8,416	17.2	292,032	83,212	208,819	28.5	55.6	51.7	68.7
All	48,902	100.0	90,398	20,860	69,538	23.1	100.0	100.0	100.0
Addendum									
80-90	4,474	9.2	160,074	40,308	119,766	25.2	16.2	15.8	17.7
90-95	2,031	4.2	208,849	54,074	154,775	25.9	9.6	9.2	10.8
95-99	1,536	3.1	396,436	112,757	283,678	28.4	13.8	12.8	17.0
Top 1 Percent	376	0.8	1,884,947	630,411	1,254,536	33.4	16.0	13.9	23.2
Top 0.1 Percent	36	0.1	9,014,245	3,224,083	5,790,162	35.8	7.4	6.2	11.4

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 plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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 T10-0020
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to \$85,000 and
Make Credit Fully Refundable: 90-Percent Participation Assumption
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	33.2	0	-0.2	0.0	0.2	0.0	2.3
Second Quintile	0.0	0.0	0.0	2.3	0	0.0	0.0	1.5	0.0	3.8
Middle Quintile	0.2	0.0	0.0	37.7	0	0.0	0.0	3.5	0.0	6.3
Fourth Quintile	0.1	0.0	0.0	20.7	0	0.0	0.0	10.6	0.0	12.0
Top Quintile	0.0	0.0	0.0	6.2	0	0.0	0.0	84.1	0.0	26.2
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	19.5
Addendum										
80-90	0.1	0.0	0.0	6.2	0	0.0	0.0	10.1	0.0	18.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.4	0.0	21.3
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.9	0.0	25.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	40.7	0.0	32.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	20.6	0.0	36.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	4,348	14.7	9,801	227	9,574	2.3	2.0	2.4	0.2	
Second Quintile	7,946	26.8	20,388	781	19,607	3.8	7.6	9.0	1.5	
Middle Quintile	6,155	20.7	38,029	2,380	35,649	6.3	10.9	12.7	3.5	
Fourth Quintile	5,447	18.4	67,549	8,130	59,419	12.0	17.2	18.7	10.6	
Top Quintile	5,552	18.7	241,246	63,219	178,028	26.2	62.5	57.2	84.1	
All	29,671	100.0	72,264	14,068	58,196	19.5	100.0	100.0	100.0	
Addendum										
80-90	2,283	7.7	101,663	18,500	83,163	18.2	10.8	11.0	10.1	
90-95	1,440	4.9	154,504	32,891	121,613	21.3	10.4	10.1	11.4	
95-99	1,410	4.8	256,863	64,775	192,087	25.2	16.9	15.7	21.9	
Top 1 Percent	418	1.4	1,249,575	406,621	842,955	32.5	24.4	20.4	40.7	
Top 0.1 Percent	41	0.1	5,802,387	2,092,684	3,709,704	36.1	11.1	8.8	20.6	

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 plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children; increase the start of the credit rate phasedown to \$15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from \$15,000 to \$85,000. Proposal would also make the CDCTC fully refundable regardless of income tax liability. Estimates assume a 90-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% \$11,939, 40% \$23,027, 60% \$39,580, 80% \$66,854, 90% \$96,556, 95% \$135,474, 99% \$347,747, 99.9% \$1,413,195.

(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.