

**Table T10-0109**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Baseline: Current Law**  
**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	81.6	-50	-0.5	-0.6
Second Quintile	2.8	0.0	0.0	15.1	-10	0.0	7.2
Middle Quintile	0.5	0.0	0.0	2.2	-2	0.0	14.1
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	18.5
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	24.4
All	4.1	0.0	0.0	100.0	-15	0.0	19.5
<b>Addendum</b>							
80-90	0.0	0.0	0.0	0.1	0	0.0	21.6
90-95	0.1	0.0	0.0	0.1	0	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	25.2
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

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 28.5

Proposal: 28.5

(1) Calendar year. Baseline is current law, proposal is to reduce the refundability threshold of the 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 T10-0109**  
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**Baseline: Current Law**  
**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	81.6	-50	495.2	-0.1	-0.1	-0.5	-0.6
Second Quintile	2.8	0.0	0.0	15.1	-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	14.1
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.0	19.0	0.0	18.5
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	68.0	0.0	24.4
All	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.5
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	15.8	0.0	21.6
90-95	0.1	0.0	0.0	0.1	0	0.0	0.0	12.0	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.6	0.0	25.2
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	22.6	0.0	26.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.2	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	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	37,187	24.2	10,410	-10	10,420	-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	6,706	40,969	14.1	13.8	14.8	10.0	
Fourth Quintile	25,876	16.9	82,850	15,338	67,512	18.5	20.0	20.3	19.0	
Top Quintile	22,637	14.8	257,308	62,653	194,654	24.4	54.4	51.2	67.9	
All	153,472	100.0	69,715	13,613	56,101	19.5	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	11,487	7.5	132,754	28,686	104,067	21.6	14.3	13.9	15.8	
90-95	5,443	3.6	188,238	45,873	142,365	24.4	9.6	9.0	12.0	
95-99	4,545	3.0	321,162	80,796	240,366	25.2	13.6	12.7	17.6	
Top 1 Percent	1,163	0.8	1,560,914	405,694	1,155,220	26.0	17.0	15.6	22.6	
Top 0.1 Percent	117	0.1	7,239,490	2,009,162	5,230,328	27.8	7.9	7.1	11.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 28.5 Proposal: 28.5

(1) Calendar year. Baseline is current law, proposal is to reduce the refundability threshold of the 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 T10-0109**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Baseline: Current Law**  
**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
<b>Lowest Quintile</b>	18.8	0.0	0.7	92.7	-69	12.6	-0.1	-0.9	-0.7	-6.3
<b>Second Quintile</b>	1.2	0.0	0.0	5.3	-4	-0.3	0.0	1.9	0.0	5.2
<b>Middle Quintile</b>	0.2	0.0	0.0	1.1	-1	0.0	0.0	8.1	0.0	13.1
<b>Fourth Quintile</b>	0.0	0.0	0.0	0.2	0	0.0	0.0	17.9	0.0	17.7
<b>Top Quintile</b>	0.0	0.0	0.0	0.1	0	0.0	0.1	72.9	0.0	24.2
<b>All</b>	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.5
<b>Addendum</b>										
<b>80-90</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	17.2	0.0	22.1
<b>90-95</b>	0.0	0.0	0.0	0.1	0	0.0	0.0	13.1	0.0	23.6
<b>95-99</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	19.0	0.0	25.0
<b>Top 1 Percent</b>	0.1	0.0	0.0	0.0	0	0.0	0.0	23.7	0.0	25.8
<b>Top 0.1 Percent</b>	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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
<b>Lowest Quintile</b>	30,566	19.9	9,795	-547	10,341	-5.6	2.8	3.7	-0.8	
<b>Second Quintile</b>	31,898	20.8	23,503	1,223	22,280	5.2	7.0	8.3	1.9	
<b>Middle Quintile</b>	30,561	19.9	42,386	5,554	36,832	13.1	12.1	13.1	8.1	
<b>Fourth Quintile</b>	29,161	19.0	72,129	12,797	59,332	17.7	19.7	20.1	17.9	
<b>Top Quintile</b>	28,841	18.8	217,694	52,767	164,927	24.2	58.7	55.3	72.8	
<b>All</b>	153,472	100.0	69,715	13,613	56,101	19.5	100.0	100.0	100.0	
<b>Addendum</b>										
<b>80-90</b>	14,484	9.4	111,861	24,715	87,146	22.1	15.1	14.7	17.1	
<b>90-95</b>	7,180	4.7	161,152	38,044	123,109	23.6	10.8	10.3	13.1	
<b>95-99</b>	5,765	3.8	276,060	68,899	207,161	25.0	14.9	13.9	19.0	
<b>Top 1 Percent</b>	1,411	0.9	1,353,035	349,653	1,003,382	25.8	17.9	16.5	23.6	
<b>Top 0.1 Percent</b>	139	0.1	6,315,898	1,741,376	4,574,523	27.6	8.2	7.4	11.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 28.5 Proposal: 28.5

(1) Calendar year. Baseline is current law, proposal is to reduce the refundability threshold of the 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

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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% \$12,047, 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 T10-0109**  
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**Baseline: Current Law**  
**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	19.0
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	60.6	0.0	23.4
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	22.5
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	7,377	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	4,692	26,626	15.0	16.2	16.9	13.0	
Fourth Quintile	10,722	16.0	51,127	9,696	41,431	19.0	20.6	20.6	21.0	
Top Quintile	9,238	13.8	139,017	32,457	106,561	23.4	48.4	45.6	60.5	
All	67,097	100.0	39,588	7,384	32,204	18.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	5,229	7.8	79,308	17,814	61,494	22.5	15.6	14.9	18.8	
90-95	1,939	2.9	111,081	25,261	85,820	22.7	8.1	7.7	9.9	
95-99	1,694	2.5	190,375	44,039	146,336	23.1	12.1	11.5	15.1	
Top 1 Percent	377	0.6	880,096	220,520	659,576	25.1	12.5	11.5	16.8	
Top 0.1 Percent	34	0.1	4,088,122	1,110,685	2,977,436	27.2	5.2	4.7	7.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current law, proposal is to reduce the refundability threshold of the 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

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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% \$12,047, 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 T10-0109**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Baseline: Current Law**  
**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	86.0	-65	8.2	0.0	-0.4	-0.5	-6.7
Second Quintile	1.6	0.0	0.0	8.3	-5	-0.4	0.0	0.7	0.0	4.0
Middle Quintile	0.2	0.0	0.0	2.0	-1	0.0	0.0	4.9	0.0	11.6
Fourth Quintile	0.1	0.0	0.0	0.6	0	0.0	0.0	15.5	0.0	16.9
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	79.2	0.0	24.5
All	2.2	0.0	0.0	100.0	-8	0.0	0.0	100.0	0.0	20.8
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	16.8	0.0	21.9
90-95	0.0	0.0	0.0	0.1	0	0.0	0.0	14.7	0.0	23.8
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.3	0.0	25.5
Top 1 Percent	0.1	0.0	0.0	0.1	0	0.0	0.0	26.4	0.0	26.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	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	-796	13,699	-6.2	1.2	1.6	-0.4	
Second Quintile	8,603	14.3	30,028	1,211	28,818	4.0	3.7	4.5	0.7	
Middle Quintile	11,285	18.8	54,754	6,335	48,419	11.6	8.9	9.9	4.9	
Fourth Quintile	15,152	25.2	87,591	14,819	72,773	16.9	19.1	20.0	15.5	
Top Quintile	18,029	30.0	260,413	63,705	196,708	24.5	67.4	64.3	79.1	
All	60,097	100.0	115,873	24,154	91,720	20.8	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	8,271	13.8	134,243	29,395	104,848	21.9	15.9	15.7	16.8	
90-95	4,951	8.2	181,773	43,194	138,579	23.8	12.9	12.5	14.7	
95-99	3,831	6.4	316,063	80,662	235,400	25.5	17.4	16.4	21.3	
Top 1 Percent	976	1.6	1,510,550	392,068	1,118,482	26.0	21.2	19.8	26.4	
Top 0.1 Percent	97	0.2	6,947,932	1,919,430	5,028,502	27.6	9.7	8.8	12.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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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.

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**Baseline: Current Law**  
**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	9.0	-1.6	-16.8	-1.5	-17.8
Second Quintile	2.8	0.0	0.0	4.7	-9	-1.8	0.0	3.8	0.0	1.8
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	0.6	37.5	0.0	19.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.7	45.2	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-	Share of Post-	Share of	
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Post- Tax Income Percent of Total	Federal Taxes Percent of Total	
Lowest Quintile	7,663	32.2	12,034	-1,967	14,001	-16.3	10.3	13.5	-15.1	
Second Quintile	7,353	30.9	27,649	518	27,131	1.9	22.7	25.1	3.8	
Middle Quintile	4,898	20.6	45,701	6,041	39,660	13.2	25.0	24.4	29.7	
Fourth Quintile	2,645	11.1	72,314	13,927	58,387	19.3	21.4	19.4	37.0	
Top Quintile	1,095	4.6	170,177	40,522	129,656	23.8	20.8	17.8	44.6	
All	23,770	100.0	37,673	4,189	33,484	11.1	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	687	2.9	103,894	23,462	80,432	22.6	8.0	6.9	16.2	
90-95	224	0.9	151,119	37,748	113,371	25.0	3.8	3.2	8.5	
95-99	150	0.6	265,318	60,082	205,236	22.7	4.4	3.9	9.1	
Top 1 Percent	34	0.1	1,230,691	321,266	909,425	26.1	4.6	3.8	10.8	
Top 0.1 Percent	3	0.0	5,852,872	1,620,434	4,232,439	27.7	2.0	1.7	5.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current law, proposal is to reduce the refundability threshold of the 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 T10-0109**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Baseline: Current Law**  
**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	92.6	-185	7.4	-0.2	-3.2	-1.4	-20.5
Second Quintile	3.4	0.0	0.0	5.3	-11	-3.2	0.0	0.4	0.0	1.0
Middle Quintile	0.6	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	0.1	0	0.0	0.1	20.6	0.0	18.8
Top Quintile	0.1	0.0	0.0	0.1	0	0.0	0.2	73.0	0.0	26.0
All	11.4	0.0	0.1	100.0	-41	-0.2	0.0	100.0	-0.1	19.6
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	19.3	0.0	24.0
90-95	0.1	0.0	0.0	0.1	-1	0.0	0.0	13.1	0.0	25.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	18.6	0.0	26.9
Top 1 Percent	0.3	0.0	0.0	0.0	-1	0.0	0.1	22.1	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	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	9,976	20.6	13,091	-2,499	15,590	-19.1	3.0	4.5	-3.0	
Second Quintile	10,127	20.9	31,283	327	30,956	1.1	7.4	9.1	0.4	
Middle Quintile	10,010	20.6	57,142	7,661	49,481	13.4	13.3	14.4	9.1	
Fourth Quintile	9,708	20.0	94,671	17,840	76,831	18.8	21.4	21.6	20.6	
Top Quintile	8,363	17.2	282,936	73,410	209,526	26.0	55.1	50.8	72.8	
All	48,527	100.0	88,512	17,371	71,141	19.6	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	4,339	8.9	155,933	37,340	118,593	24.0	15.8	14.9	19.2	
90-95	2,136	4.4	204,142	51,428	152,714	25.2	10.2	9.5	13.0	
95-99	1,512	3.1	384,102	103,394	280,708	26.9	13.5	12.3	18.6	
Top 1 Percent	377	0.8	1,786,692	493,228	1,293,464	27.6	15.7	14.1	22.0	
Top 0.1 Percent	37	0.1	8,353,518	2,397,931	5,955,587	28.7	7.3	6.5	10.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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 is to reduce the refundability threshold of the 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 T10-0109**  
**Reduce Child Tax Credit Refundability Threshold to \$0**  
**Baseline: Current Law**  
**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	17.5	-1	-0.1	0.0	1.4	0.0	2.7
Middle Quintile	0.2	0.0	0.0	12.7	-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	1.1	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	1.0	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	20.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	37.8	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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total		
Lowest Quintile	4,539	15.6	9,713	123	9,590	1.3	2.2	2.5	0.2	
Second Quintile	7,785	26.7	20,134	553	19,582	2.8	7.8	8.9	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	6,249	59,751	9.5	17.5	18.6	11.2	
Top Quintile	5,417	18.6	230,749	46,562	184,187	20.2	61.8	57.9	84.0	
All	29,160	100.0	69,393	10,291	59,101	14.8	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	2,256	7.7	98,991	14,386	84,605	14.5	11.0	11.1	10.8	
90-95	1,390	4.8	148,120	26,035	122,085	17.6	10.2	9.9	12.1	
95-99	1,375	4.7	247,873	50,958	196,915	20.6	16.8	15.7	23.4	
Top 1 Percent	396	1.4	1,212,770	286,860	925,910	23.7	23.7	21.3	37.8	
Top 0.1 Percent	40	0.1	5,487,716	1,415,241	4,072,475	25.8	10.8	9.4	18.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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 is to reduce the refundability threshold of the 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

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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% \$12,047, 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.