

Table T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2010 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	13.7	0.0	0.5	81.5	-50	-0.5	-0.6
Second Quintile	2.8	0.0	0.0	15.2	-10	0.0	7.1
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	18.0
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	23.6
All	4.1	0.0	0.0	100.0	-15	0.0	19.0
Addendum							
80-90	0.0	0.0	0.0	0.1	0	0.0	20.3
90-95	0.1	0.0	0.0	0.1	0	0.0	22.6
95-99	0.0	0.0	0.0	0.0	0	0.0	24.0
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	26.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	28.5

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

Number of AMT Taxpayers (millions). Baseline: 4.4

Proposal: 4.4

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2010 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	13.7	0.0	0.5	81.5	-50	498.0	-0.1	-0.1	-0.5	-0.6
Second Quintile	2.8	0.0	0.0	15.2	-10	-0.5	0.0	3.1	0.0	7.1
Middle Quintile	0.5	0.0	0.0	2.2	-2	0.0	0.0	10.2	0.0	14.0
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.0	19.0	0.0	18.0
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	67.7	0.0	23.6
All	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.0
Addendum										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	15.3	0.0	20.3
90-95	0.1	0.0	0.0	0.1	0	0.0	0.0	11.4	0.0	22.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.3	0.0	24.0
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	23.8	0.0	26.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	28.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010 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	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	1,862	24,102	7.2	8.3	9.5	3.1	
Middle Quintile	31,069	20.2	47,675	6,672	41,004	14.0	13.8	14.7	10.2	
Fourth Quintile	25,876	16.9	82,850	14,907	67,942	18.0	20.0	20.3	19.0	
Top Quintile	22,637	14.8	257,308	60,686	196,621	23.6	54.4	51.4	67.6	
All	153,472	100.0	69,715	13,244	56,471	19.0	100.0	100.0	100.0	
Addendum										
80-90	11,487	7.5	132,754	26,967	105,787	20.3	14.3	14.0	15.2	
90-95	5,443	3.6	188,238	42,524	145,714	22.6	9.6	9.2	11.4	
95-99	4,545	3.0	321,162	77,065	244,097	24.0	13.6	12.8	17.2	
Top 1 Percent	1,163	0.8	1,560,914	414,635	1,146,279	26.6	17.0	15.4	23.7	
Top 0.1 Percent	117	0.1	7,239,490	2,064,368	5,175,122	28.5	7.9	7.0	11.8	

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

Number of AMT Taxpayers (millions). Baseline: 4.4 Proposal: 4.4

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	18.8	0.0	0.7	92.6	-69	12.6	-0.1	-0.9	-0.7	-6.3
Second Quintile	1.2	0.0	0.0	5.3	-4	-0.3	0.0	1.9	0.0	5.2
Middle Quintile	0.2	0.0	0.0	1.1	-1	0.0	0.0	8.3	0.0	12.9
Fourth Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	17.7	0.0	17.1
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	73.0	0.0	23.6
All	4.1	0.0	0.0	100.0	-15	-0.1	0.0	100.0	0.0	19.0
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	16.7	0.0	20.9
90-95	0.0	0.0	0.0	0.1	0	0.0	0.0	12.7	0.0	22.3
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	18.7	0.0	23.9
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	24.9	0.0	26.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.3	0.0	28.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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		
Lowest Quintile	30,566	19.9	9,795	-547	10,341	-5.6	2.8	3.7	-0.8	
Second Quintile	31,898	20.8	23,503	1,213	22,289	5.2	7.0	8.2	1.9	
Middle Quintile	30,561	19.9	42,386	5,478	36,908	12.9	12.1	13.0	8.2	
Fourth Quintile	29,161	19.0	72,129	12,309	59,820	17.1	19.7	20.1	17.7	
Top Quintile	28,841	18.8	217,694	51,380	166,314	23.6	58.7	55.4	72.9	
All	153,472	100.0	69,715	13,244	56,471	19.0	100.0	100.0	100.0	
Addendum										
80-90	14,484	9.4	111,861	23,399	88,462	20.9	15.1	14.8	16.7	
90-95	7,180	4.7	161,152	35,919	125,234	22.3	10.8	10.4	12.7	
95-99	5,765	3.8	276,060	65,859	210,201	23.9	14.9	14.0	18.7	
Top 1 Percent	1,411	0.9	1,353,035	358,045	994,990	26.5	17.9	16.2	24.9	
Top 0.1 Percent	139	0.1	6,315,898	1,796,624	4,519,274	28.5	8.2	7.2	12.3	

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

Number of AMT Taxpayers (millions). Baseline: 4.4 Proposal: 4.4

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	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	4.7	0.0	8.5
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	12.8	0.0	15.0
Fourth Quintile	0.0	0.0	0.0	0.4	0	0.0	0.0	20.6	0.0	19.0
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	61.3	0.0	24.1
All	1.4	0.0	0.0	100.0	-5	-0.1	0.0	100.0	0.0	19.0
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	18.4	0.0	22.4
90-95	0.1	0.0	0.0	0.2	0	0.0	0.0	9.7	0.0	22.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	14.7	0.0	23.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	18.5	0.0	28.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	8.6	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	
Lowest Quintile	16,343	24.4	7,573	196	7,377	2.6	4.7	5.6	0.6
Second Quintile	15,522	23.1	17,976	1,519	16,457	8.5	10.5	11.9	4.7
Middle Quintile	13,718	20.5	31,318	4,691	26,626	15.0	16.2	17.0	12.8
Fourth Quintile	10,722	16.0	51,127	9,693	41,433	19.0	20.6	20.7	20.6
Top Quintile	9,238	13.8	139,017	33,449	105,569	24.1	48.4	45.3	61.2
All	67,097	100.0	39,588	7,521	32,067	19.0	100.0	100.0	100.0
Addendum									
80-90	5,229	7.8	79,308	17,756	61,552	22.4	15.6	15.0	18.4
90-95	1,939	2.9	111,081	25,153	85,928	22.6	8.1	7.7	9.7
95-99	1,694	2.5	190,375	43,773	146,602	23.0	12.1	11.5	14.7
Top 1 Percent	377	0.6	880,096	247,378	632,718	28.1	12.5	11.1	18.5
Top 0.1 Percent	34	0.1	4,088,122	1,280,185	2,807,936	31.3	5.2	4.4	8.6

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

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	17.2	0.0	0.5	85.9	-65	8.2	0.0	-0.4	-0.5	-6.7
Second Quintile	1.6	0.0	0.0	8.4	-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	5.0	0.0	11.3
Fourth Quintile	0.1	0.0	0.0	0.6	0	0.0	0.0	15.3	0.0	16.0
Top Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	79.2	0.0	23.5
All	2.2	0.0	0.0	100.0	-8	0.0	0.0	100.0	0.0	20.0
Addendum										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	16.2	0.0	20.3
90-95	0.0	0.0	0.0	0.1	0	0.0	0.0	14.3	0.0	22.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.0	0.0	24.2
Top 1 Percent	0.1	0.0	0.0	0.1	0	0.0	0.0	27.6	0.0	26.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.5	0.0	27.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	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	1,196	28,832	4.0	3.7	4.5	0.7	
Middle Quintile	11,285	18.8	54,754	6,200	48,554	11.3	8.9	9.8	5.0	
Fourth Quintile	15,152	25.2	87,591	14,033	73,559	16.0	19.1	20.0	15.3	
Top Quintile	18,029	30.0	260,413	61,075	199,338	23.5	67.4	64.5	79.2	
All	60,097	100.0	115,873	23,139	92,734	20.0	100.0	100.0	100.0	
Addendum										
80-90	8,271	13.8	134,243	27,255	106,988	20.3	15.9	15.9	16.2	
90-95	4,951	8.2	181,773	40,263	141,510	22.2	12.9	12.6	14.3	
95-99	3,831	6.4	316,063	76,337	239,725	24.2	17.4	16.5	21.0	
Top 1 Percent	976	1.6	1,510,550	393,464	1,117,086	26.1	21.2	19.6	27.6	
Top 0.1 Percent	97	0.2	6,947,932	1,936,638	5,011,294	27.9	9.7	8.7	13.5	

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

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. Proposal is to reduce the refundability threshold of the 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	48.9	0.0	1.3	94.1	-178	9.0	-1.7	-17.4	-1.5	-17.8
Second Quintile	2.8	0.0	0.0	4.7	-9	-1.9	0.0	3.8	0.0	1.8
Middle Quintile	0.8	0.0	0.0	1.0	-3	-0.1	0.5	30.7	0.0	12.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.6	37.1	0.0	18.3
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.7	45.7	0.0	23.2
All	16.8	0.0	0.2	100.0	-61	-1.5	0.0	100.0	-0.2	10.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.3	16.3	0.0	21.6
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	8.5	0.0	23.7
95-99	0.2	0.0	0.0	0.0	-1	0.0	0.1	9.3	0.0	22.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	11.6	0.0	26.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	5.5	0.0	28.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	7,663	32.2	12,034	-1,967	14,001	-16.3	10.3	13.4	-15.7	
Second Quintile	7,353	30.9	27,649	497	27,152	1.8	22.7	25.0	3.8	
Middle Quintile	4,898	20.6	45,701	5,919	39,782	13.0	25.0	24.4	30.3	
Fourth Quintile	2,645	11.1	72,314	13,240	59,074	18.3	21.4	19.5	36.6	
Top Quintile	1,095	4.6	170,177	39,419	130,758	23.2	20.8	17.9	45.1	
All	23,770	100.0	37,673	4,030	33,643	10.7	100.0	100.0	100.0	
Addendum										
80-90	687	2.9	103,894	22,387	81,506	21.6	8.0	7.0	16.1	
90-95	224	0.9	151,119	35,850	115,269	23.7	3.8	3.2	8.4	
95-99	150	0.6	265,318	58,496	206,822	22.1	4.4	3.9	9.2	
Top 1 Percent	34	0.1	1,230,691	327,074	903,617	26.6	4.6	3.8	11.4	
Top 0.1 Percent	3	0.0	5,852,872	1,667,822	4,185,050	28.5	2.0	1.6	5.4	

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

(1) Calendar year. Baseline is current policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	50.8	0.0	1.2	92.5	-185	7.4	-0.2	-3.4	-1.4	-20.5
Second Quintile	3.4	0.0	0.0	5.4	-11	-3.6	0.0	0.4	0.0	0.9
Middle Quintile	0.6	0.0	0.0	1.1	-2	0.0	0.0	9.4	0.0	13.0
Fourth Quintile	0.1	0.0	0.0	0.2	0	0.0	0.1	20.2	0.0	17.4
Top Quintile	0.1	0.0	0.0	0.1	0	0.0	0.2	73.4	0.0	24.6
All	11.4	0.0	0.1	100.0	-41	-0.3	0.0	100.0	-0.1	18.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	18.5	0.0	21.8
90-95	0.1	0.0	0.0	0.1	-1	0.0	0.0	12.6	0.0	23.0
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	18.8	0.0	25.7
Top 1 Percent	0.3	0.0	0.0	0.0	-1	0.0	0.1	23.4	0.0	27.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.3	0.0	28.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	9,976	20.6	13,091	-2,499	15,590	-19.1	3.0	4.4	-3.1	
Second Quintile	10,127	20.9	31,283	298	30,986	1.0	7.4	9.0	0.4	
Middle Quintile	10,010	20.6	57,142	7,436	49,707	13.0	13.3	14.2	9.4	
Fourth Quintile	9,708	20.0	94,671	16,510	78,161	17.4	21.4	21.7	20.1	
Top Quintile	8,363	17.2	282,936	69,660	213,276	24.6	55.1	51.0	73.2	
All	48,527	100.0	88,512	16,406	72,106	18.5	100.0	100.0	100.0	
Addendum										
80-90	4,339	8.9	155,933	33,924	122,009	21.8	15.8	15.1	18.5	
90-95	2,136	4.4	204,142	47,016	157,126	23.0	10.2	9.6	12.6	
95-99	1,512	3.1	384,102	98,528	285,573	25.7	13.5	12.3	18.7	
Top 1 Percent	377	0.8	1,786,692	493,858	1,292,834	27.6	15.7	13.9	23.4	
Top 0.1 Percent	37	0.1	8,353,518	2,405,877	5,947,640	28.8	7.3	6.4	11.3	

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 policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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 T10-0113
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	1.4	0.0	0.1	68.4	-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	12.6	-1	0.0	0.0	3.0	0.0	4.2
Fourth Quintile	0.0	0.0	0.0	0.4	0	0.0	0.0	10.9	0.0	9.4
Top Quintile	0.0	0.0	0.0	1.1	0	0.0	0.0	84.4	0.0	20.6
All	0.3	0.0	0.0	100.0	-1	0.0	0.0	100.0	0.0	15.1
Addendum										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	10.3	0.0	14.1
90-95	0.1	0.0	0.0	1.0	0	0.0	0.0	11.4	0.0	16.9
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	22.2	0.0	19.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	40.5	0.0	25.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	20.4	0.0	28.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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		
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	1,592	36,113	4.2	10.9	12.3	3.0	
Fourth Quintile	5,369	18.4	66,000	6,192	59,808	9.4	17.5	18.7	10.9	
Top Quintile	5,417	18.6	230,749	47,548	183,201	20.6	61.8	57.8	84.4	
All	29,160	100.0	69,393	10,465	58,928	15.1	100.0	100.0	100.0	
Addendum										
80-90	2,256	7.7	98,991	13,906	85,084	14.1	11.0	11.2	10.3	
90-95	1,390	4.8	148,120	25,004	123,117	16.9	10.2	10.0	11.4	
95-99	1,375	4.7	247,873	49,328	198,545	19.9	16.8	15.9	22.2	
Top 1 Percent	396	1.4	1,212,770	312,381	900,389	25.8	23.7	20.7	40.5	
Top 0.1 Percent	40	0.1	5,487,716	1,572,299	3,915,417	28.7	10.8	9.0	20.4	

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 policy, which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket thresholds and exemption thresholds for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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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