

Table T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
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	18.0	0.0	1.8	62.6	-180	-1.7	2.5
Second Quintile	11.5	0.0	0.4	33.4	-102	-0.4	8.9
Middle Quintile	1.2	0.0	0.0	3.1	-10	0.0	15.3
Fourth Quintile	0.1	0.0	0.0	0.2	-1	0.0	19.0
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	24.7
All	7.2	0.0	0.1	100.0	-69	-0.1	20.3
Addendum							
80-90	0.0	0.0	0.0	0.0	0	0.0	21.2
90-95	0.1	0.0	0.0	0.0	0	0.0	23.1
95-99	0.0	0.0	0.0	0.0	0	0.0	24.6
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	28.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	30.9

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 4.6

(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 \$10,000 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% \$17,709, 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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
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	18.0	0.0	1.8	62.6	-180	-40.8	-0.3	0.4	-1.7	2.5
Second Quintile	11.5	0.0	0.4	33.4	-102	-4.2	-0.1	3.6	-0.4	8.9
Middle Quintile	1.2	0.0	0.0	3.1	-10	-0.1	0.0	10.3	0.0	15.3
Fourth Quintile	0.1	0.0	0.0	0.2	-1	0.0	0.1	18.6	0.0	19.0
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.3	67.0	0.0	24.7
All	7.2	0.0	0.1	100.0	-69	-0.5	0.0	100.0	-0.1	20.3
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	14.9	0.0	21.2
90-95	0.1	0.0	0.0	0.0	0	0.0	0.1	10.9	0.0	23.1
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	16.8	0.0	24.6
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.1	24.4	0.0	28.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	12.5	0.0	30.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 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	37,292	24.0	10,481	440	10,040	4.2	3.5	4.2	0.7	
Second Quintile	34,806	22.4	26,186	2,428	23,758	9.3	8.2	9.3	3.7	
Middle Quintile	31,498	20.3	48,373	7,400	40,973	15.3	13.7	14.6	10.3	
Fourth Quintile	26,231	16.9	84,329	15,990	68,339	19.0	19.9	20.2	18.5	
Top Quintile	22,974	14.8	267,017	65,830	201,186	24.7	55.1	52.1	66.6	
All	155,368	100.0	71,667	14,608	57,058	20.4	100.0	100.0	100.0	
Addendum										
80-90	11,625	7.5	136,507	28,960	107,547	21.2	14.3	14.1	14.8	
90-95	5,563	3.6	191,223	44,210	147,013	23.1	9.6	9.2	10.8	
95-99	4,611	3.0	333,276	82,099	251,177	24.6	13.8	13.1	16.7	
Top 1 Percent	1,175	0.8	1,657,137	469,160	1,187,977	28.3	17.5	15.7	24.3	
Top 0.1 Percent	119	0.1	7,672,765	2,374,186	5,298,579	30.9	8.2	7.1	12.4	

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

Number of AMT Taxpayers (millions). Baseline: 4.6 Proposal: 4.6

(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 \$10,000 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% \$17,709, 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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	26.8	0.0	2.9	81.4	-283	-839.8	-0.4	-0.3	-2.9	-2.5
Second Quintile	8.4	0.0	0.3	16.7	-55	-3.1	-0.1	2.5	-0.2	7.2
Middle Quintile	0.4	0.0	0.0	1.0	-3	-0.1	0.0	8.4	0.0	14.3
Fourth Quintile	0.1	0.0	0.0	0.2	-1	0.0	0.1	17.4	0.0	18.1
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.3	71.9	0.0	24.6
All	7.2	0.0	0.1	100.0	-69	-0.5	0.0	100.0	-0.1	20.3
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	16.1	0.0	21.8
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	12.2	0.0	22.8
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	18.1	0.0	24.5
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.1	25.5	0.0	28.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	12.9	0.0	30.9

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	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	30,760	19.8	9,877	34	9,843	0.3	2.7	3.4	0.1	
Second Quintile	32,347	20.8	23,756	1,774	21,981	7.5	6.9	8.0	2.5	
Middle Quintile	31,060	20.0	42,993	6,131	36,862	14.3	12.0	12.9	8.4	
Fourth Quintile	29,561	19.0	73,609	13,316	60,292	18.1	19.5	20.1	17.3	
Top Quintile	29,073	18.7	226,631	55,837	170,794	24.6	59.2	56.0	71.5	
All	155,368	100.0	71,667	14,608	57,058	20.4	100.0	100.0	100.0	
Addendum										
80-90	14,540	9.4	115,046	25,030	90,017	21.8	15.0	14.8	16.0	
90-95	7,282	4.7	165,470	37,769	127,702	22.8	10.8	10.5	12.1	
95-99	5,823	3.8	286,103	70,066	216,037	24.5	15.0	14.2	18.0	
Top 1 Percent	1,428	0.9	1,431,804	403,535	1,028,269	28.2	18.4	16.6	25.4	
Top 0.1 Percent	142	0.1	6,683,662	2,062,156	4,621,507	30.9	8.5	7.4	12.9	

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

Number of AMT Taxpayers (millions). Baseline: 4.6 Proposal: 4.6

(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 \$10,000 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% \$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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	7.3	0.0	1.0	89.5	-68	-12.7	-0.2	1.4	-0.9	6.1
Second Quintile	1.4	0.0	0.1	10.0	-8	-0.4	0.0	5.2	0.0	10.1
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	12.9	0.0	16.2
Fourth Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	20.3	0.0	19.9
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	60.1	0.0	25.3
All	2.1	0.0	0.1	100.0	-18	-0.2	0.0	100.0	-0.1	20.4
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	17.7	0.0	23.2
90-95	0.1	0.0	0.0	0.0	0	0.0	0.0	8.5	0.0	23.3
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	14.6	0.0	23.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	19.3	0.0	30.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	9.2	0.0	34.4

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		
Lowest Quintile	16,453	24.2	7,653	535	7,118	7.0	4.6	5.4	1.6	
Second Quintile	15,785	23.3	18,188	1,844	16,344	10.1	10.5	11.8	5.2	
Middle Quintile	14,027	20.7	31,881	5,165	26,716	16.2	16.3	17.2	12.9	
Fourth Quintile	10,881	16.0	52,390	10,435	41,955	19.9	20.8	20.9	20.2	
Top Quintile	9,172	13.5	144,769	36,681	108,087	25.3	48.4	45.4	59.9	
All	67,885	100.0	40,448	8,268	32,180	20.4	100.0	100.0	100.0	
Addendum										
80-90	5,247	7.7	81,466	18,894	62,573	23.2	15.6	15.0	17.7	
90-95	1,793	2.6	114,230	26,634	87,596	23.3	7.5	7.2	8.5	
95-99	1,749	2.6	195,211	46,650	148,561	23.9	12.4	11.9	14.5	
Top 1 Percent	383	0.6	924,978	281,994	642,985	30.5	12.9	11.3	19.2	
Top 0.1 Percent	34	0.1	4,473,332	1,538,543	2,934,789	34.4	5.5	4.5	9.2	

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 \$10,000 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% \$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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
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	27.0	0.0	2.5	77.3	-318	-2,176.7	-0.1	-0.1	-2.5	-2.3
Second Quintile	7.1	0.0	0.2	18.4	-54	-2.6	0.0	1.2	-0.2	6.7
Middle Quintile	0.4	0.0	0.0	1.5	-3	-0.1	0.0	5.2	0.0	12.8
Fourth Quintile	0.1	0.0	0.0	0.4	-1	0.0	0.0	15.2	0.0	17.1
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.1	78.4	0.0	24.4
All	4.0	0.0	0.0	100.0	-42	-0.2	0.0	100.0	0.0	21.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.8	0.0	21.2
90-95	0.0	0.0	0.0	0.1	0	0.0	0.0	14.1	0.0	22.7
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	20.3	0.0	24.7
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.1	28.3	0.0	27.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.2	0.0	30.1

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	6,220	10.2	12,978	15	12,963	0.1	1.1	1.4	0.0	
Second Quintile	8,746	14.4	30,404	2,075	28,329	6.8	3.7	4.3	1.2	
Middle Quintile	11,392	18.7	55,534	7,096	48,438	12.8	8.7	9.6	5.2	
Fourth Quintile	15,301	25.2	89,245	15,269	73,976	17.1	18.8	19.8	15.1	
Top Quintile	18,311	30.1	270,238	66,028	204,210	24.4	68.1	65.3	78.3	
All	60,792	100.0	119,608	25,404	94,204	21.2	100.0	100.0	100.0	
Addendum										
80-90	8,308	13.7	138,140	29,257	108,884	21.2	15.8	15.8	15.7	
90-95	5,185	8.5	184,120	41,811	142,309	22.7	13.1	12.9	14.0	
95-99	3,832	6.3	329,973	81,571	248,402	24.7	17.4	16.6	20.2	
Top 1 Percent	986	1.6	1,603,838	442,757	1,161,081	27.6	21.8	20.0	28.3	
Top 0.1 Percent	100	0.2	7,292,608	2,198,065	5,094,543	30.1	10.0	8.9	14.2	

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

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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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
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	68.2	0.0	5.4	81.5	-713	68.9	-5.4	-12.2	-5.9	-14.4
Second Quintile	25.5	0.0	0.6	17.3	-160	-13.5	-0.6	6.8	-0.6	3.7
Middle Quintile	1.7	0.0	0.0	1.0	-14	-0.2	1.6	29.2	0.0	14.1
Fourth Quintile	0.2	0.0	0.0	0.1	-2	0.0	2.0	34.7	0.0	19.1
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	2.4	41.5	0.0	23.8
All	30.3	0.0	0.9	100.0	-283	-5.8	0.0	100.0	-0.7	12.0
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.8	14.4	0.0	22.1
90-95	0.0	0.0	0.0	0.0	0	0.0	0.5	7.8	0.0	23.2
95-99	0.1	0.0	0.0	0.0	-1	0.0	0.5	8.4	0.0	22.5
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.6	10.9	0.0	28.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.3	5.4	0.0	30.9

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	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	7,828	32.4	12,145	-1,035	13,179	-8.5	10.2	12.7	-6.8	
Second Quintile	7,381	30.5	27,927	1,184	26,743	4.2	22.2	24.4	7.4	
Middle Quintile	4,991	20.6	46,364	6,559	39,805	14.2	24.9	24.5	27.6	
Fourth Quintile	2,741	11.3	74,093	14,141	59,952	19.1	21.9	20.3	32.7	
Top Quintile	1,111	4.6	175,378	41,744	133,634	23.8	21.0	18.3	39.1	
All	24,178	100.0	38,406	4,906	33,500	12.8	100.0	100.0	100.0	
Addendum										
80-90	682	2.8	106,498	23,547	82,951	22.1	7.8	7.0	13.5	
90-95	241	1.0	155,730	36,196	119,534	23.2	4.1	3.6	7.4	
95-99	155	0.6	269,959	60,684	209,275	22.5	4.5	4.0	7.9	
Top 1 Percent	32	0.1	1,323,451	376,783	946,668	28.5	4.6	3.8	10.3	
Top 0.1 Percent	3	0.0	6,199,747	1,912,722	4,287,025	30.9	2.1	1.7	5.1	

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 \$10,000 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% \$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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
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	71.8	0.0	5.3	81.0	-774	57.1	-0.9	-2.5	-5.9	-16.2
Second Quintile	24.6	0.0	0.5	17.1	-163	-12.6	-0.2	1.3	-0.5	3.6
Middle Quintile	1.2	0.0	0.0	1.0	-10	-0.1	0.1	9.7	0.0	14.5
Fourth Quintile	0.2	0.0	0.0	0.2	-1	0.0	0.2	19.8	0.0	18.5
Top Quintile	0.1	0.0	0.0	0.0	0	0.0	0.8	71.6	0.0	25.5
All	20.5	0.0	0.3	100.0	-198	-1.1	0.0	100.0	-0.2	19.8
Addendum										
80-90	0.1	0.0	0.0	0.0	0	0.0	0.2	18.4	0.0	22.5
90-95	0.1	0.0	0.0	0.0	-1	0.0	0.1	11.3	0.0	23.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.2	18.1	0.0	26.1
Top 1 Percent	0.2	0.0	0.0	0.0	-1	0.0	0.3	23.7	0.0	29.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	11.6	0.0	31.2

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		
Lowest Quintile	10,146	20.8	13,131	-1,356	14,486	-10.3	3.0	4.2	-1.6	
Second Quintile	10,182	20.8	31,660	1,292	30,368	4.1	7.3	8.8	1.5	
Middle Quintile	10,047	20.5	58,167	8,435	49,731	14.5	13.2	14.1	9.6	
Fourth Quintile	9,721	19.9	96,287	17,807	78,481	18.5	21.2	21.6	19.6	
Top Quintile	8,416	17.2	292,032	74,494	217,538	25.5	55.6	51.8	70.8	
All	48,902	100.0	90,398	18,107	72,291	20.0	100.0	100.0	100.0	
Addendum										
80-90	4,474	9.2	160,074	36,088	123,986	22.5	16.2	15.7	18.2	
90-95	2,031	4.2	208,849	48,847	160,002	23.4	9.6	9.2	11.2	
95-99	1,536	3.1	396,436	103,392	293,043	26.1	13.8	12.7	17.9	
Top 1 Percent	376	0.8	1,884,947	551,949	1,332,998	29.3	16.0	14.2	23.4	
Top 0.1 Percent	36	0.1	9,014,245	2,812,681	6,201,565	31.2	7.4	6.4	11.5	

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 \$10,000 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% \$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 T10-0115
Reduce Child Tax Credit Refundability Threshold to \$0
Baseline: Current Policy
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	1.9	0.0	0.2	62.0	-16	-7.7	0.0	0.2	-0.2	2.0
Second Quintile	0.6	0.0	0.0	27.3	-4	-0.6	0.0	1.5	0.0	3.3
Middle Quintile	0.3	0.0	0.0	9.9	-2	-0.1	0.0	3.4	0.0	5.1
Fourth Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	10.6	0.0	10.3
Top Quintile	0.0	0.0	0.0	0.6	0	0.0	0.0	84.3	0.0	22.5
All	0.5	0.0	0.0	100.0	-4	0.0	0.0	100.0	0.0	16.7
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	9.9	0.0	15.2
90-95	0.0	0.0	0.0	0.6	-1	0.0	0.0	11.3	0.0	18.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	21.7	0.0	21.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	41.4	0.0	28.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	21.1	0.0	31.6

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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	4,348	14.7	9,801	213	9,589	2.2	2.0	2.3	0.3	
Second Quintile	7,946	26.8	20,388	674	19,714	3.3	7.6	8.8	1.5	
Middle Quintile	6,155	20.7	38,029	1,950	36,079	5.1	10.9	12.4	3.4	
Fourth Quintile	5,447	18.4	67,549	6,928	60,622	10.3	17.2	18.5	10.6	
Top Quintile	5,552	18.7	241,246	54,196	187,050	22.5	62.5	58.1	84.2	
All	29,671	100.0	72,264	12,037	60,227	16.7	100.0	100.0	100.0	
Addendum										
80-90	2,283	7.7	101,663	15,458	86,205	15.2	10.8	11.0	9.9	
90-95	1,440	4.9	154,504	28,063	126,441	18.2	10.4	10.2	11.3	
95-99	1,410	4.8	256,863	54,848	202,015	21.4	16.9	15.9	21.7	
Top 1 Percent	418	1.4	1,249,575	353,550	896,026	28.3	24.4	21.0	41.4	
Top 0.1 Percent	41	0.1	5,802,387	1,836,052	3,966,336	31.6	11.1	9.1	21.1	

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.

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