

11-Jun-10

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

T10-0131

Options for Reforming the Child Tax Credit (CTC), 2011<sup>1</sup>

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	Number of Families Eligible for the Child Tax Credit (millions)	Kids Eligible for the Child Tax Credit (millions)	Total Value of Child Tax Credit (billions)
<b>Current Law</b> <sup>2</sup>	19.7	32.0	13.2
<b>Extend CTC EGTRRA Provisions</b> <sup>3</sup>	30.2	52.1	43.9
<b>Extend CTC ARRA Provisions</b> <sup>4</sup>	35.1	59.6	52.1
<b>Extend CTC ARRA Provisions and Make Refundability Threshold Zero</b>	35.7	60.5	54.4

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

(1) Estimates are static and do not account for any potential microeconomic behavioral response.

(2) Under current law, the child tax credit is equal to \$500, is refundable only to individuals with 3 or more children, and is not allowed against the AMT.

(3) Under EGTRRA, the child tax credit is equal to \$1,000, is refundable at a 15 percent rate for earnings above \$12,750, and is allowed against the AMT.

(4) The American Recovery and Reinvestment Act lowered the refundability threshold to \$3,000.