

Table T11-0255
Tax Benefits of the Child Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
Detail Table

| Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Benefit as Percent of After-Tax Income ⁵ | Share of Total Benefits | Average Benefit | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|---------------------------------------|-----------------------------------|-----------------|---|-------------------------|-----------------|----------------|------------------------|----------------|---------------------------------------|----------------|
| | With Benefit | Without Benefit | | | Dollars | Percent of Tax | With Credit | Without Credit | With Credit | Without Credit |
| Lowest Quintile | 11.6 | 88.4 | 1.0 | 7.8 | 93 | 121.0 | 0.2 | 0.4 | 0.8 | 1.8 |
| Second Quintile | 24.0 | 76.0 | 1.6 | 26.0 | 367 | 25.9 | 2.7 | 3.3 | 5.8 | 7.3 |
| Middle Quintile | 25.9 | 74.1 | 1.1 | 27.3 | 439 | 7.8 | 9.3 | 9.8 | 12.5 | 13.5 |
| Fourth Quintile | 31.0 | 69.0 | 0.8 | 27.7 | 538 | 4.1 | 18.2 | 18.4 | 16.6 | 17.2 |
| Top Quintile | 17.7 | 82.3 | 0.1 | 10.9 | 244 | 0.4 | 69.5 | 68.0 | 23.1 | 23.2 |
| All | 21.2 | 78.8 | 0.6 | 100.0 | 317 | 2.7 | 100.0 | 100.0 | 18.1 | 18.6 |
| Addendum | | | | | | | | | | |
| 80-90 | 30.4 | 69.6 | 0.4 | 10.0 | 441 | 1.8 | 15.1 | 15.0 | 19.2 | 19.5 |
| 90-95 | 7.7 | 92.3 | 0.0 | 0.7 | 63 | 0.2 | 11.3 | 11.1 | 21.1 | 21.1 |
| 95-99 | 1.9 | 98.1 | 0.0 | 0.2 | 23 | 0.0 | 17.5 | 17.1 | 23.0 | 23.0 |
| Top 1 Percent | 1.2 | 98.8 | 0.0 | 0.0 | 14 | 0.0 | 25.6 | 24.9 | 27.6 | 27.6 |
| Top 0.1 Percent | 0.4 | 99.7 | 0.0 | 0.0 | 6 | 0.0 | 13.1 | 12.8 | 30.8 | 30.8 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011¹

| Cash Income Percentile ^{2,3} | Tax Units ⁴ | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|---------------------------------------|------------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 43,661 | 26.6 | 9,187 | 3.8 | 77 | 0.2 | 9,111 | 4.5 | 0.8 | |
| Second Quintile | 36,819 | 22.5 | 24,603 | 8.5 | 1,420 | 2.7 | 23,183 | 9.7 | 5.8 | |
| Middle Quintile | 32,344 | 19.7 | 44,639 | 13.5 | 5,592 | 9.3 | 39,047 | 14.4 | 12.5 | |
| Fourth Quintile | 26,761 | 16.3 | 79,524 | 19.9 | 13,168 | 18.2 | 66,356 | 20.3 | 16.6 | |
| Top Quintile | 23,243 | 14.2 | 251,746 | 54.6 | 58,040 | 69.5 | 193,707 | 51.3 | 23.1 | |
| All | 163,869 | 100.0 | 65,357 | 100.0 | 11,841 | 100.0 | 53,516 | 100.0 | 18.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 11,775 | 7.2 | 130,276 | 14.3 | 24,948 | 15.1 | 105,329 | 14.1 | 19.2 | |
| 90-95 | 5,676 | 3.5 | 183,757 | 9.7 | 38,713 | 11.3 | 145,044 | 9.4 | 21.1 | |
| 95-99 | 4,619 | 2.8 | 320,086 | 13.8 | 73,520 | 17.5 | 246,566 | 13.0 | 23.0 | |
| Top 1 Percent | 1,173 | 0.7 | 1,530,773 | 16.8 | 422,727 | 25.6 | 1,108,046 | 14.8 | 27.6 | |
| Top 0.1 Percent | 120 | 0.1 | 6,859,873 | 7.7 | 2,113,515 | 13.1 | 4,746,357 | 6.5 | 30.8 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 4.3

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal is current law without the Child Tax Credit.

(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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(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.