

Table T13-0085
Tax Benefit of the Child and Dependent Care Credit
Distribution of Federal Tax Change by Cash Income Percentile, 2015¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.3	99.7	0.0	0.9	1	0.3	0.5	0.5	2.5	2.5
Second Quintile	4.1	95.9	0.1	18.7	21	0.6	4.5	4.5	10.5	10.5
Middle Quintile	4.9	95.1	0.1	21.9	28	0.3	10.3	10.3	16.3	16.3
Fourth Quintile	7.9	92.1	0.1	29.5	46	0.3	16.6	16.6	19.5	19.6
Top Quintile	8.8	91.2	0.0	29.0	50	0.1	68.1	68.0	29.3	29.3
All	4.6	95.4	0.0	100.0	26	0.1	100.0	100.0	22.7	22.8
Addendum										
80-90	10.0	90.0	0.1	16.4	57	0.2	12.3	12.3	22.3	22.3
90-95	8.8	91.2	0.0	7.4	52	0.1	9.2	9.2	23.9	23.9
95-99	7.0	93.0	0.0	4.6	40	0.1	14.3	14.3	27.1	27.1
Top 1 Percent	3.6	96.5	0.0	0.6	22	0.0	32.3	32.2	37.6	37.6
Top 0.1 Percent	1.9	98.1	0.0	0.0	13	0.0	17.1	17.0	40.0	40.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2015¹

Cash Income Percentile ^{2,3}	Tax Units		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	40,970	25.6	12,881	4.2	322	0.5	12,559	5.3	2.5	
Second Quintile	36,414	22.7	33,491	9.7	3,504	4.5	29,987	11.2	10.5	
Middle Quintile	31,949	19.9	56,816	14.4	9,252	10.3	47,564	15.6	16.3	
Fourth Quintile	26,517	16.5	91,848	19.3	17,910	16.6	73,938	20.1	19.5	
Top Quintile	23,568	14.7	282,330	52.8	82,712	68.1	199,618	48.3	29.3	
All	160,282	100.0	78,595	100.0	17,872	100.0	60,723	100.0	22.7	
Addendum										
80-90	11,852	7.4	133,354	12.6	29,674	12.3	103,681	12.6	22.3	
90-95	5,855	3.7	187,816	8.7	44,834	9.2	142,982	8.6	23.9	
95-99	4,687	2.9	323,122	12.0	87,666	14.3	235,456	11.3	27.1	
Top 1 Percent	1,174	0.7	2,095,258	19.5	787,453	32.3	1,307,805	15.8	37.6	
Top 0.1 Percent	120	0.1	10,186,310	9.7	4,077,262	17.1	6,109,049	7.5	40.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 4.0

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal is current law without the credit for child and dependent care. For a description of TPC's current law baseline, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$22,008; 40% \$42,597; 60% \$67,608; 80% \$112,412; 90% \$147,742; 95% \$227,595; 99% \$573,930; 99.9% \$3,274,341.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.