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Table T13-0116
Tax Benefit of the Child and Dependent Care Credit
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
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	0.2	99.8	0.0	0.2	*	0.1	0.4	0.4	0.4	1.8
Second Quintile	3.7	96.3	0.1	16.2	17	0.6	4.3	4.4	4.3	9.4
Middle Quintile	4.9	95.1	0.1	22.4	27	0.3	10.8	10.8	10.8	15.5
Fourth Quintile	8.2	91.8	0.1	31.9	47	0.3	17.7	17.7	17.7	18.9
Top Quintile	8.6	91.4	0.0	29.3	48	0.1	66.7	66.6	66.7	27.5
All	4.5	95.5	0.0	100.0	24	0.2	100.0	100.0	100.0	21.3
Addendum										
80-90	9.4	90.6	0.1	16.0	52	0.2	13.4	13.4	13.4	21.4
90-95	9.1	90.9	0.0	7.9	52	0.1	9.4	9.4	9.4	23.1
95-99	7.0	93.0	0.0	4.7	39	0.1	14.6	14.6	14.6	25.8
Top 1 Percent	3.8	96.2	0.0	0.7	23	0.0	29.3	29.2	29.3	35.7
Top 0.1 Percent	2.1	97.9	0.0	0.0	14	0.0	15.2	15.2	15.2	38.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013 ¹

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	40,520	25.6	11,290	4.2	199	0.4	11,090	5.2	0.4	
Second Quintile	36,208	22.9	30,031	9.9	2,801	4.3	27,230	11.4	4.3	
Middle Quintile	31,370	19.8	52,294	14.9	8,050	10.8	44,243	16.0	10.8	
Fourth Quintile	26,062	16.5	84,355	20.0	15,871	17.7	68,484	20.6	17.7	
Top Quintile	23,189	14.7	244,576	51.5	67,302	66.7	177,274	47.5	66.7	
All	158,260	100.0	69,527	100.0	14,786	100.0	54,740	100.0	100.0	
Addendum										
80-90	11,692	7.4	125,820	13.4	26,804	13.4	99,016	13.4	13.4	
90-95	5,736	3.6	166,808	8.7	38,468	9.4	128,340	8.5	9.4	
95-99	4,615	2.9	287,453	12.1	74,036	14.6	213,417	11.4	14.6	
Top 1 Percent	1,147	0.7	1,671,536	17.4	597,226	29.3	1,074,310	14.2	29.3	
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,052,154	15.2	4,933,671	6.6	15.2	

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

Number of AMT Taxpayers (millions). Baseline: 3.4 Proposal: 3.4

* 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% \$20,113; 40% \$39,790; 60% \$64,484; 80% \$108,266; 90% \$143,373; 95% \$204,296; 99% \$506,210; 99.9% \$2,655,675.

(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.

Table T13-0116
Tax Benefit of the Child and Dependent Care Credit
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
Detail Table - Tax Units with Children

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	1.1	98.9	0.0	0.4	1	-0.1	-2.6	-2.6	-15.0	-15.0
Second Quintile	13.6	86.4	0.2	19.6	68	3.8	2.1	2.2	4.9	5.1
Middle Quintile	18.1	81.9	0.2	28.4	104	1.1	10.5	10.5	15.2	15.4
Fourth Quintile	20.8	79.2	0.2	31.4	120	0.6	19.9	19.9	19.1	19.2
Top Quintile	16.4	83.6	0.1	20.2	90	0.1	70.0	69.8	28.0	28.1
All	13.6	86.4	0.1	100.0	74	0.4	100.0	100.0	20.8	20.9
Addendum										
80-90	18.6	81.4	0.1	12.5	101	0.3	15.4	15.4	22.1	22.2
90-95	16.1	83.9	0.1	4.0	88	0.2	8.7	8.6	23.9	23.9
95-99	13.1	86.9	0.0	3.1	70	0.1	15.5	15.5	26.6	26.6
Top 1 Percent	7.7	92.3	0.0	0.6	49	0.0	30.5	30.4	35.6	35.6
Top 0.1 Percent	4.4	95.6	0.0	0.0	31	0.0	14.7	14.6	37.8	37.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013¹

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	10,949	21.8	14,497	3.6	-2,174	-2.6	16,671	5.2	-15.0	
Second Quintile	10,714	21.4	36,326	8.8	1,789	2.1	34,537	10.6	4.9	
Middle Quintile	10,166	20.3	62,074	14.3	9,457	10.5	52,617	15.3	15.2	
Fourth Quintile	9,735	19.4	97,977	21.6	18,732	19.9	79,245	22.1	19.1	
Top Quintile	8,378	16.7	273,829	52.1	76,770	70.0	197,060	47.3	28.0	
All	50,150	100.0	87,888	100.0	18,312	100.0	69,576	100.0	20.8	
Addendum										
80-90	4,581	9.1	139,259	14.5	30,829	15.4	108,430	14.2	22.1	
90-95	1,696	3.4	196,218	7.6	46,850	8.7	149,369	7.3	23.9	
95-99	1,662	3.3	322,508	12.2	85,694	15.5	236,813	11.3	26.6	
Top 1 Percent	439	0.9	1,792,201	17.9	637,440	30.5	1,154,760	14.5	35.6	
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,337,030	14.7	5,488,232	6.3	37.8	

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

* Less than 0.05

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(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 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 2012 dollars): 20% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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.