

**Table T13-0190**  
**Expand Child and Dependent Care Tax Credit (CDCTC) <sup>1</sup>**  
**Impact on Individual Income Tax Revenue (\$ billions), 2014-23 <sup>2</sup>**  
**Baseline: Current Law**

	Fiscal Year <sup>3</sup>										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-23
<b>Expand CDCTC <sup>4</sup></b>	-1.2	-6.3	-6.6	-7.0	-7.4	-7.7	-8.1	-8.5	-8.8	-9.2	-70.7
<b>Addendum</b>											
<b>Low Participation <sup>5</sup></b>	-1.0	-4.8	-5.0	-5.2	-5.5	-5.7	-6.0	-6.3	-6.5	-6.8	-52.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-1b).

(1) Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2014; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$35,000. The minimum credit rate would be 20 percent.

(2) Estimates include a microdynamic behavioral response. Estimates assume an elasticity of taxable income with respect to (1 - marginal rate) of 0.25.

(3) Fiscal-year revenue numbers assume a 20-80 split. The actual effect on receipts could differ.

(4) Assumes a 90 percent participation rate for newly eligible tax units.

(5) Assumes a 50 percent participation rate for newly eligible tax units.