

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2014 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut		With Tax Increase					Change (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
<b>Lowest Quintile</b>	3.0	-1,332	0.0	0	0.3	28.0	-40	-0.3	2.8
<b>Second Quintile</b>	5.9	-1,044	0.0	0	0.2	35.8	-62	-0.2	7.8
<b>Middle Quintile</b>	5.5	-756	0.0	0	0.1	21.4	-42	-0.1	13.6
<b>Fourth Quintile</b>	4.8	-431	0.0	0	0.0	8.7	-21	0.0	16.6
<b>Top Quintile</b>	3.9	-390	0.0	0	0.0	5.6	-15	0.0	25.1
<b>All</b>	4.5	-845	0.0	0	0.1	100.0	-38	-0.1	19.2
<b>Addendum</b>									
<b>80-90</b>	4.4	-378	0.0	0	0.0	3.1	-17	0.0	18.8
<b>90-95</b>	3.9	-411	0.0	0	0.0	1.5	-16	0.0	20.3
<b>95-99</b>	2.9	-393	0.0	0	0.0	0.8	-11	0.0	23.8
<b>Top 1 Percent</b>	1.9	-422	0.0	0	0.0	0.2	-8	0.0	33.4
<b>Top 0.1 Percent</b>	1.1	-380	0.0	0	0.0	0.0	-4	0.0	35.7

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

Number of AMT Taxpayers (millions). Baseline: 2.8

Proposal: 4.2

\* Less than 0.05

\*\* Insufficient data

(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. Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$24,191; 40% \$47,261; 60% \$79,521; 80% \$134,266; 90% \$180,482; 95% \$261,471; 99% \$615,048; 99.9% \$3,170,865.

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

(5) After-tax income is expanded 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 expanded cash income.

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2014 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.0	0.0	0.3	28.0	-40	-9.1	-0.1	0.7	-0.3	2.8
Second Quintile	5.9	0.0	0.2	35.8	-62	-2.2	-0.1	3.8	-0.2	7.8
Middle Quintile	5.5	0.0	0.1	21.4	-42	-0.5	0.0	10.5	-0.1	13.6
Fourth Quintile	4.8	0.0	0.0	8.7	-21	-0.1	0.0	17.4	0.0	16.6
Top Quintile	3.9	0.0	0.0	5.6	-15	0.0	0.2	67.4	0.0	25.1
All	4.5	0.0	0.1	100.0	-38	-0.2	0.0	100.0	-0.1	19.2
<b>Addendum</b>										
80-90	4.4	0.0	0.0	3.1	-17	-0.1	0.0	12.9	0.0	18.8
90-95	3.9	0.0	0.0	1.5	-16	0.0	0.0	9.5	0.0	20.3
95-99	2.9	0.0	0.0	0.8	-11	0.0	0.0	15.1	0.0	23.8
Top 1 Percent	1.9	0.0	0.0	0.2	-8	0.0	0.1	29.9	0.0	33.4
Top 0.1 Percent	1.1	0.0	0.0	0.0	-4	0.0	0.0	15.3	0.0	35.7

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,668	26.8	14,248	4.5	439	0.7	13,809	5.4	3.1	
Second Quintile	36,178	22.2	35,551	9.4	2,836	3.9	32,715	10.7	8.0	
Middle Quintile	32,111	19.7	63,270	14.8	8,652	10.5	54,618	15.8	13.7	
Fourth Quintile	26,073	16.0	105,666	20.1	17,540	17.3	88,126	20.7	16.6	
Top Quintile	23,056	14.2	306,320	51.4	76,955	67.3	229,365	47.7	25.1	
All	162,816	100.0	84,346	100.0	16,201	100.0	68,144	100.0	19.2	
<b>Addendum</b>										
80-90	11,523	7.1	156,802	13.2	29,529	12.9	127,273	13.2	18.8	
90-95	5,725	3.5	215,637	9.0	43,770	9.5	171,867	8.9	20.3	
95-99	4,636	2.9	359,690	12.1	85,574	15.0	274,117	11.5	23.8	
Top 1 Percent	1,173	0.7	2,007,042	17.1	670,845	29.8	1,336,198	14.1	33.4	
Top 0.1 Percent	121	0.1	9,339,535	8.2	3,331,969	15.3	6,007,566	6.5	35.7	

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

Number of AMT Taxpayers (millions). Baseline: 4.2

Proposal: 4.2

\* Less than 0.05

(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.

Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$24,191; 40% \$47,261; 60% \$79,521; 80% \$134,266; 90% \$180,482; 95% \$261,471; 99% \$615,048; 99.9% \$3,170,865.

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

(5) After-tax income is expanded 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 expanded cash income.

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	4.8	0.0	0.5	35.1	-62	77.9	-0.1	-0.2	-0.5	-1.1
Second Quintile	6.2	0.0	0.2	32.8	-61	-3.2	-0.1	2.3	-0.2	5.8
Middle Quintile	5.7	0.0	0.1	20.1	-40	-0.6	0.0	8.0	-0.1	11.9
Fourth Quintile	3.6	0.0	0.0	7.3	-15	-0.1	0.0	16.9	0.0	16.2
Top Quintile	2.2	0.0	0.0	4.1	-8	0.0	0.2	72.6	0.0	24.9
All	4.5	0.0	0.1	100.0	-38	-0.2	0.0	100.0	-0.1	19.2
<b>Addendum</b>										
80-90	2.8	0.0	0.0	2.6	-11	0.0	0.0	14.2	0.0	18.7
90-95	1.7	0.0	0.0	0.8	-6	0.0	0.0	11.2	0.0	20.9
95-99	1.6	0.0	0.0	0.6	-6	0.0	0.0	16.3	0.0	23.5
Top 1 Percent	1.3	0.0	0.0	0.1	-5	0.0	0.1	30.9	0.0	33.2
Top 0.1 Percent	0.8	0.0	0.0	0.0	-3	0.0	0.0	16.0	0.0	35.7

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	35,590	21.9	13,440	3.5	-79	-0.1	13,519	4.3	-0.6	
Second Quintile	33,744	20.7	31,650	7.8	1,884	2.4	29,766	9.1	6.0	
Middle Quintile	31,714	19.5	55,842	12.9	6,704	8.1	49,138	14.1	12.0	
Fourth Quintile	30,237	18.6	91,101	20.9	14,756	16.9	76,346	20.8	16.2	
Top Quintile	29,802	18.3	257,895	56.0	64,146	72.5	193,749	52.0	24.9	
All	162,816	100.0	84,346	100.0	16,201	100.0	68,144	100.0	19.2	
<b>Addendum</b>										
80-90	14,848	9.1	134,955	14.6	25,244	14.2	109,711	14.7	18.7	
90-95	7,710	4.7	182,410	10.2	38,152	11.2	144,257	10.0	20.9	
95-99	5,847	3.6	312,592	13.3	73,496	16.3	239,096	12.6	23.5	
Top 1 Percent	1,397	0.9	1,752,271	17.8	581,950	30.8	1,170,321	14.7	33.2	
Top 0.1 Percent	143	0.1	8,258,231	8.6	2,945,464	15.9	5,312,766	6.8	35.7	

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

Number of AMT Taxpayers (millions). Baseline: 4.156

Proposal: 4.156

\* Less than 0.05

(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. Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$16,866; 40% \$31,038; 60% \$50,272; 80% \$79,465; 90% \$109,240; 95% \$153,338; 99% \$356,446; 99.9% \$1,893,431.

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

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.6	0.0	0.2	70.0	-23	-4.6	-0.1	1.8	-0.2	4.6
Second Quintile	1.0	0.0	0.0	22.1	-9	-0.4	0.0	6.0	0.0	8.5
Middle Quintile	0.4	0.0	0.0	6.3	-3	-0.1	0.0	12.7	0.0	13.7
Fourth Quintile	0.1	0.0	0.0	1.0	-1	0.0	0.0	22.6	0.0	18.6
Top Quintile	0.2	0.0	0.0	0.7	-1	0.0	0.1	56.6	0.0	25.7
All	0.8	0.0	0.0	100.0	-10	-0.1	0.0	100.0	0.0	18.4
<b>Addendum</b>										
80-90	0.3	0.0	0.0	0.6	-1	0.0	0.0	13.4	0.0	21.0
90-95	*	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	22.7
95-99	*	0.0	0.0	0.0	0	0.0	0.0	12.2	0.0	24.2
Top 1 Percent	*	0.0	0.0	0.0	0	0.0	0.0	20.0	0.0	34.7
Top 0.1 Percent	*	0.0	0.0	0.0	0	0.0	0.0	10.8	0.0	38.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	22,392	30.1	10,588	7.2	504	1.9	10,083	8.4	4.8	
Second Quintile	17,962	24.1	24,111	13.1	2,057	6.1	22,054	14.7	8.5	
Middle Quintile	13,768	18.5	40,961	17.0	5,623	12.7	35,337	18.0	13.7	
Fourth Quintile	11,431	15.3	65,002	22.4	12,071	22.6	52,932	22.4	18.6	
Top Quintile	8,087	10.9	166,106	40.5	42,719	56.6	123,387	36.9	25.7	
All	74,506	100.0	44,480	100.0	8,200	100.0	36,281	100.0	18.4	
<b>Addendum</b>										
80-90	4,103	5.5	94,533	11.7	19,867	13.3	74,666	11.3	21.0	
90-95	2,277	3.1	130,479	9.0	29,654	11.1	100,825	8.5	22.7	
95-99	1,408	1.9	218,202	9.3	52,896	12.2	165,306	8.6	24.2	
Top 1 Percent	299	0.4	1,174,477	10.6	407,954	20.0	766,523	8.5	34.7	
Top 0.1 Percent	29	0.0	5,968,368	5.2	2,276,508	10.8	3,691,859	4.0	38.1	

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

\* Less than 0.05

(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. Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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(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 2013 dollars): 20% \$16,866; 40% \$31,038; 60% \$50,272; 80% \$79,465; 90% \$109,240; 95% \$153,338; 99% \$356,446; 99.9% \$1,893,431.

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

(5) After-tax income is expanded 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 expanded cash income.

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.4	0.0	0.1	9.3	-21	5.6	0.0	-0.1	-0.1	-2.1
Second Quintile	4.5	0.0	0.1	18.8	-28	-1.3	0.0	0.9	-0.1	5.0
Middle Quintile	6.0	0.0	0.0	26.9	-26	-0.3	0.0	5.0	0.0	10.7
Fourth Quintile	5.3	0.0	0.0	25.4	-20	-0.1	0.0	14.2	0.0	15.0
Top Quintile	2.9	0.0	0.0	18.7	-11	0.0	0.0	79.8	0.0	24.6
All	4.3	0.0	0.0	100.0	-19	-0.1	0.0	100.0	0.0	20.5
<b>Addendum</b>										
80-90	3.6	0.0	0.0	11.5	-14	-0.1	0.0	14.6	0.0	18.0
90-95	2.4	0.0	0.0	3.9	-9	0.0	0.0	11.5	0.0	20.3
95-99	2.1	0.0	0.0	2.8	-8	0.0	0.0	18.4	0.0	23.3
Top 1 Percent	1.5	0.0	0.0	0.5	-6	0.0	0.0	35.2	0.0	32.9
Top 0.1 Percent	0.9	0.0	0.0	0.0	-3	0.0	0.0	17.7	0.0	35.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,212	8.5	19,072	1.1	-382	-0.1	19,454	1.4	-2.0	
Second Quintile	8,072	13.1	42,858	3.9	2,179	1.0	40,679	4.6	5.1	
Middle Quintile	12,177	19.8	71,043	9.6	7,629	5.0	63,414	10.8	10.7	
Fourth Quintile	15,498	25.2	111,753	19.3	16,825	14.2	94,927	20.6	15.1	
Top Quintile	20,027	32.5	298,169	66.4	73,330	79.7	224,839	62.9	24.6	
All	61,618	100.0	145,998	100.0	29,895	100.0	116,102	100.0	20.5	
<b>Addendum</b>										
80-90	9,769	15.9	153,560	16.7	27,587	14.6	125,973	17.2	18.0	
90-95	5,032	8.2	208,193	11.6	42,195	11.5	165,999	11.7	20.3	
95-99	4,194	6.8	347,170	16.2	80,715	18.4	266,454	15.6	23.3	
Top 1 Percent	1,032	1.7	1,905,925	21.9	627,900	35.2	1,278,025	18.4	32.9	
Top 0.1 Percent	105	0.2	8,816,384	10.3	3,110,957	17.7	5,705,427	8.4	35.3	

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

\* Less than 0.05

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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(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 2013 dollars): 20% \$16,866; 40% \$31,038; 60% \$50,272; 80% \$79,465; 90% \$109,240; 95% \$153,338; 99% \$356,446; 99.9% \$1,893,431.

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

(5) After-tax income is expanded 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 expanded cash income.

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	15.9	0.0	1.0	36.3	-204	12.6	-1.7	-12.0	-1.1	-10.2
<b>Second Quintile</b>	21.5	0.0	0.6	38.5	-231	-23.3	-1.2	4.7	-0.6	2.0
<b>Middle Quintile</b>	20.4	0.0	0.3	20.6	-178	-2.4	0.4	30.4	-0.3	11.7
<b>Fourth Quintile</b>	10.4	0.0	0.1	3.4	-57	-0.4	1.0	32.0	-0.1	16.5
<b>Top Quintile</b>	5.9	0.0	0.0	0.6	-23	-0.1	1.6	44.8	0.0	24.0
<b>All</b>	17.4	0.0	0.4	100.0	-182	-3.5	0.0	100.0	-0.4	10.1
<b>Addendum</b>										
<b>80-90</b>	6.6	0.0	0.0	0.4	-27	-0.1	0.5	15.1	0.0	20.1
<b>90-95</b>	5.0	0.0	0.0	0.1	-15	0.0	0.2	6.7	0.0	21.5
<b>95-99</b>	3.7	0.0	0.0	0.1	-15	0.0	0.3	9.2	0.0	24.1
<b>Top 1 Percent</b>	7.0	0.0	0.0	0.0	-33	0.0	0.5	13.8	0.0	32.6
<b>Top 0.1 Percent</b>	4.5	0.0	0.0	0.0	-20	0.0	0.3	6.9	0.0	34.9

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Lowest Quintile</b>	7,682	32.4	17,985	11.9	-1,624	-10.3	19,609	14.5	-9.0
<b>Second Quintile</b>	7,198	30.4	38,073	23.5	992	5.9	37,080	25.6	2.6
<b>Middle Quintile</b>	4,986	21.0	61,137	26.2	7,350	30.1	53,786	25.7	12.0
<b>Fourth Quintile</b>	2,576	10.9	88,211	19.5	14,649	31.0	73,561	18.2	16.6
<b>Top Quintile</b>	1,101	4.7	199,261	18.8	47,758	43.2	151,503	16.0	24.0
<b>All</b>	23,699	100.0	49,136	100.0	5,139	100.0	43,997	100.0	10.5
<b>Addendum</b>									
<b>80-90</b>	691	2.9	127,661	7.6	25,650	14.6	102,012	6.8	20.1
<b>90-95</b>	215	0.9	169,914	3.1	36,511	6.5	133,403	2.8	21.5
<b>95-99</b>	163	0.7	273,335	3.8	65,746	8.8	207,589	3.3	24.1
<b>Top 1 Percent</b>	31	0.1	1,594,913	4.3	519,196	13.4	1,075,717	3.2	32.6
<b>Top 0.1 Percent</b>	3	0.0	8,171,281	2.0	2,849,159	6.7	5,322,122	1.5	34.9

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

\* Less than 0.05

(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. Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$16,866; 40% \$31,038; 60% \$50,272; 80% \$79,465; 90% \$109,240; 95% \$153,338; 99% \$356,446; 99.9% \$1,893,431.

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

(5) After-tax income is expanded 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 expanded cash income.

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	14.6	0.0	0.9	33.9	-187	9.3	-0.2	-2.2	-1.0	-11.5
<b>Second Quintile</b>	18.1	0.0	0.4	33.1	-177	-15.0	-0.2	1.1	-0.4	2.3
<b>Middle Quintile</b>	16.7	0.0	0.2	20.4	-113	-1.3	-0.1	9.0	-0.2	11.7
<b>Fourth Quintile</b>	10.3	0.0	0.0	7.5	-42	-0.2	0.1	19.4	0.0	15.8
<b>Top Quintile</b>	7.4	0.0	0.0	4.4	-28	0.0	0.4	72.7	0.0	24.9
<b>All</b>	13.6	0.0	0.1	100.0	-112	-0.6	0.0	100.0	-0.1	18.0
<b>Addendum</b>										
80-90	8.8	0.0	0.0	2.8	-34	-0.1	0.1	14.8	0.0	18.5
90-95	6.7	0.0	0.0	0.9	-25	-0.1	0.1	10.1	0.0	20.7
95-99	5.5	0.0	0.0	0.6	-21	0.0	0.1	16.5	0.0	24.0
<b>Top 1 Percent</b>	3.8	0.0	0.0	0.1	-16	0.0	0.2	31.2	0.0	33.3
<b>Top 0.1 Percent</b>	2.7	0.0	0.0	0.0	-10	0.0	0.1	14.6	0.0	35.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Lowest Quintile</b>	10,340	20.4	19,078	3.5	-2,000	-2.0	21,078	4.8	-10.5
<b>Second Quintile</b>	10,640	21.0	43,171	8.2	1,182	1.2	41,989	9.8	2.7
<b>Middle Quintile</b>	10,305	20.4	75,220	13.9	8,918	9.1	66,301	14.9	11.9
<b>Fourth Quintile</b>	10,148	20.0	121,543	22.0	19,284	19.3	102,259	22.7	15.9
<b>Top Quintile</b>	8,803	17.4	334,131	52.6	83,283	72.3	250,848	48.2	24.9
<b>All</b>	50,634	100.0	110,540	100.0	20,036	100.0	90,504	100.0	18.1
<b>Addendum</b>									
80-90	4,657	9.2	173,331	14.4	32,138	14.8	141,193	14.4	18.5
90-95	1,980	3.9	248,801	8.8	51,585	10.1	197,217	8.5	20.7
95-99	1,722	3.4	402,853	12.4	96,530	16.4	306,322	11.5	24.0
<b>Top 1 Percent</b>	444	0.9	2,136,775	16.9	710,431	31.1	1,426,343	13.8	33.3
<b>Top 0.1 Percent</b>	40	0.1	10,330,520	7.4	3,659,048	14.5	6,671,472	5.9	35.4

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

\* Less than 0.05

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

(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.

Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$16,866; 40% \$31,038; 60% \$50,272; 80% \$79,465; 90% \$109,240; 95% \$153,338; 99% \$356,446; 99.9% \$1,893,431.

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

**Table T13-0192**  
**Expand the Child and Dependent Care Tax Credit (CDCTC)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	7.7	0	-0.2	0.0	0.1	0.0	0.6
Second Quintile	0.2	0.0	0.0	28.3	0	-0.1	0.0	1.2	0.0	2.2
Middle Quintile	0.2	0.0	0.0	40.6	-1	0.0	0.0	5.1	0.0	5.8
Fourth Quintile	0.1	0.0	0.0	16.0	0	0.0	0.0	12.6	0.0	11.4
Top Quintile	0.1	0.0	0.0	7.4	0	0.0	0.0	80.8	0.0	23.9
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	16.3
<b>Addendum</b>										
80-90	0.1	0.0	0.0	5.2	0	0.0	0.0	12.9	0.0	15.2
90-95	*	0.0	0.0	1.2	0	0.0	0.0	9.8	0.0	18.5
95-99	*	0.0	0.0	0.5	0	0.0	0.0	17.8	0.0	22.1
Top 1 Percent	0.1	0.0	0.0	0.5	0	0.0	0.0	40.3	0.0	33.8
Top 0.1 Percent	0.1	0.0	0.0	0.1	0	0.0	0.0	21.6	0.0	36.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2014 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,067	19.3	12,770	3.3	82	0.1	12,688	3.9	0.6	
Second Quintile	9,352	25.5	26,643	9.1	583	1.2	26,060	10.7	2.2	
Middle Quintile	7,953	21.7	49,259	14.3	2,876	5.1	46,382	16.1	5.8	
Fourth Quintile	6,010	16.4	82,135	18.1	9,325	12.6	72,810	19.2	11.4	
Top Quintile	6,118	16.7	246,147	55.1	58,936	80.8	187,211	50.1	23.9	
All	36,679	100.0	74,458	100.0	12,170	100.0	62,288	100.0	16.3	
<b>Addendum</b>										
80-90	3,075	8.4	123,165	13.9	18,726	12.9	104,439	14.1	15.2	
90-95	1,448	4.0	162,380	8.6	30,073	9.8	132,308	8.4	18.5	
95-99	1,262	3.4	285,165	13.2	63,119	17.8	222,046	12.3	22.1	
Top 1 Percent	333	0.9	1,599,643	19.5	540,423	40.3	1,059,220	15.4	33.8	
Top 0.1 Percent	36	0.1	7,444,700	9.7	2,703,395	21.6	4,741,305	7.4	36.3	

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

\* Less than 0.05

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(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.

Estimates assume a 90 percent participation rate for newly eligible tax units.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

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