

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

**Table T13-0291**  
**Index Maximum Eligible Expense and AGI Phasedown Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</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>Less than 10</b>	0.0	0	0.0	0	0.0	0.0	0	0.0	5.5
<b>10-20</b>	0.0	0	0.0	0	0.0	0.0	0	0.0	4.0
<b>20-30</b>	1.0	-109	0.0	0	0.0	2.9	-1	0.0	5.2
<b>30-40</b>	2.2	-146	0.0	0	0.0	6.2	-3	0.0	6.9
<b>40-50</b>	2.8	-156	0.0	0	0.0	7.1	-4	0.0	9.4
<b>50-75</b>	3.1	-153	0.0	0	0.0	16.3	-5	0.0	13.7
<b>75-100</b>	3.4	-156	0.0	0	0.0	12.1	-5	0.0	15.8
<b>100-200</b>	4.9	-164	0.0	0	0.0	37.3	-8	0.0	17.8
<b>200-500</b>	5.3	-174	0.0	0	0.0	16.8	-9	0.0	21.8
<b>500-1,000</b>	2.6	-170	0.0	0	0.0	0.9	-4	0.0	26.9
<b>More than 1,000</b>	1.9	-196	0.0	0	0.0	0.5	-4	0.0	33.4
<b>All</b>	2.7	-159	0.0	0	0.0	100.0	-4	0.0	20.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.1

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phased-down Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	5.5
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.4	0.0	4.0
20-30	1.0	0.0	0.0	2.9	-1	-0.1	0.0	0.7	0.0	5.2
30-40	2.2	0.0	0.0	6.2	-3	-0.1	0.0	1.0	0.0	6.9
40-50	2.8	0.0	0.0	7.1	-4	-0.1	0.0	1.4	0.0	9.4
50-75	3.1	0.0	0.0	16.3	-5	0.0	0.0	6.2	0.0	13.7
75-100	3.4	0.0	0.0	12.1	-5	0.0	0.0	6.6	0.0	15.8
100-200	4.9	0.0	0.0	37.3	-8	0.0	0.0	23.8	0.0	17.8
200-500	5.3	0.0	0.0	16.8	-9	0.0	0.0	23.3	0.0	21.8
500-1,000	2.6	0.0	0.0	0.9	-4	0.0	0.0	7.4	0.0	26.9
More than 1,000	1.9	0.0	0.0	0.5	-4	0.0	0.0	29.0	0.0	33.4
All	2.7	0.0	0.0	100.0	-4	0.0	0.0	100.0	0.0	20.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	9,044	5.2	7,220	0.3	394	0.1	6,826	0.4	5.5
10-20	20,696	12.0	19,022	1.8	758	0.4	18,264	2.2	4.0
20-30	20,460	11.9	30,788	2.9	1,614	0.7	29,174	3.4	5.2
30-40	14,733	8.5	43,226	2.9	2,975	1.0	40,251	3.4	6.9
40-50	12,185	7.1	55,778	3.1	5,251	1.4	50,527	3.5	9.4
50-75	25,943	15.0	77,007	9.1	10,524	6.2	66,483	9.8	13.7
75-100	17,145	9.9	107,923	8.4	17,021	6.6	90,902	8.9	15.8
100-200	34,474	20.0	172,153	27.0	30,635	23.8	141,518	27.8	17.8
200-500	13,745	8.0	346,671	21.7	75,418	23.3	271,253	21.2	21.8
500-1,000	1,459	0.9	830,995	5.5	223,840	7.4	607,156	5.1	26.9
More than 1,000	979	0.6	3,936,566	17.5	1,315,430	29.0	2,621,136	14.6	33.4
All	172,542	100.0	127,451	100.0	25,740	100.0	101,711	100.0	20.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 6.1 Proposal: 6.1

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phasedown Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	8.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.2	0.0	7.3
20-30	0.3	0.0	0.0	32.9	0	0.0	0.0	3.4	0.0	8.5
30-40	0.2	0.0	0.0	17.6	0	0.0	0.0	3.2	0.0	9.3
40-50	0.1	0.0	0.0	6.5	0	0.0	0.0	4.1	0.0	11.5
50-75	0.2	0.0	0.0	28.6	0	0.0	0.0	16.0	0.0	16.6
75-100	0.1	0.0	0.0	6.6	0	0.0	0.0	13.3	0.0	18.8
100-200	0.1	0.0	0.0	6.5	0	0.0	0.0	22.5	0.0	20.9
200-500	0.1	0.0	0.0	1.3	0	0.0	0.0	12.5	0.0	24.5
500-1,000	0.1	0.0	0.0	0.1	0	0.0	0.0	4.2	0.0	30.0
More than 1,000	*	0.0	0.0	0.0	0	0.0	0.0	17.8	0.0	36.3
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	18.7

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	7,214	9.8	7,176	1.0	578	0.5	6,598	1.2	8.1
10-20	14,528	19.7	18,982	5.6	1,378	2.2	17,604	6.3	7.3
20-30	12,246	16.6	30,614	7.6	2,590	3.4	28,023	8.5	8.5
30-40	7,451	10.1	43,174	6.5	4,029	3.2	39,146	7.2	9.3
40-50	5,955	8.1	55,643	6.7	6,415	4.1	49,228	7.3	11.5
50-75	11,726	15.9	76,647	18.1	12,691	16.0	63,957	18.6	16.6
75-100	6,143	8.3	107,057	13.3	20,162	13.3	86,895	13.2	18.8
100-200	6,173	8.4	161,669	20.1	33,790	22.5	127,879	19.6	20.9
200-500	1,388	1.9	342,542	9.6	83,891	12.5	258,651	8.9	24.5
500-1,000	158	0.2	829,525	2.7	248,669	4.2	580,855	2.3	30.0
More than 1,000	116	0.2	3,933,752	9.2	1,426,742	17.8	2,507,009	7.2	36.3
All	73,898	100.0	67,171	100.0	12,566	100.0	54,605	100.0	18.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phasedown Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.0
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	3.0
30-40	0.7	0.0	0.0	0.3	0	0.0	0.0	0.2	0.0	5.0
40-50	1.3	0.0	0.0	1.0	-1	0.0	0.0	0.4	0.0	7.2
50-75	1.4	*	0.0	3.6	-2	0.0	0.0	2.1	0.0	10.3
75-100	2.8	0.0	0.0	8.2	-5	0.0	0.0	3.6	0.0	13.2
100-200	5.8	0.0	0.0	56.6	-10	0.0	0.0	23.8	0.0	16.9
200-500	5.8	0.0	0.0	28.0	-10	0.0	0.0	27.8	0.0	21.3
500-1,000	2.8	0.0	0.0	1.4	-5	0.0	0.0	8.7	0.0	26.5
More than 1,000	2.1	0.0	0.0	0.8	-4	0.0	0.0	33.1	0.0	33.1
All	3.9	0.0	0.0	100.0	-6	0.0	0.0	100.0	0.0	21.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	659	1.0	6,514	0.0	83	0.0	6,431	0.0	1.3
10-20	1,536	2.3	19,449	0.2	194	0.0	19,255	0.3	1.0
20-30	2,940	4.3	31,311	0.6	929	0.1	30,381	0.8	3.0
30-40	3,133	4.6	43,465	0.9	2,190	0.2	41,274	1.1	5.0
40-50	3,151	4.6	56,220	1.2	4,068	0.4	52,151	1.4	7.2
50-75	8,429	12.3	77,724	4.4	7,983	2.1	69,741	5.0	10.3
75-100	7,971	11.7	108,770	5.8	14,362	3.6	94,408	6.4	13.2
100-200	25,696	37.6	175,982	30.4	29,746	23.9	146,236	32.1	16.9
200-500	12,032	17.6	347,181	28.0	74,105	27.8	273,076	28.1	21.3
500-1,000	1,262	1.9	831,092	7.0	220,591	8.7	610,502	6.6	26.5
More than 1,000	825	1.2	3,887,242	21.5	1,284,691	33.1	2,602,551	18.4	33.1
All	68,289	100.0	218,177	100.0	46,936	100.0	171,241	100.0	21.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phasedown Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.4	0.0	-9.0
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.5	0.0	-6.3
20-30	3.2	0.0	0.0	5.7	-4	0.6	0.0	-1.5	0.0	-2.1
30-40	7.5	*	0.0	14.3	-11	-0.9	0.0	2.3	0.0	3.0
40-50	10.8	0.0	0.0	15.9	-18	-0.5	0.0	4.6	0.0	6.4
50-75	13.3	0.0	0.0	34.4	-21	-0.2	0.0	22.4	0.0	12.2
75-100	13.8	0.0	0.0	17.9	-21	-0.1	0.0	20.4	0.0	15.7
100-200	9.3	0.0	0.0	10.4	-15	-0.1	0.0	31.1	0.0	19.0
200-500	10.9	0.0	0.0	1.2	-15	0.0	0.0	9.4	0.0	24.0
500-1,000	9.4	0.0	0.0	0.1	-14	0.0	0.0	2.8	0.0	27.1
More than 1,000	6.1	0.0	0.0	0.1	-10	0.0	0.0	11.3	0.0	33.3
All	7.3	0.0	0.0	100.0	-11	-0.1	0.0	100.0	0.0	12.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,049	3.9	8,025	0.5	-721	-0.4	8,747	0.6	-9.0
10-20	4,354	16.3	19,028	4.8	-1,199	-2.5	20,227	5.8	-6.3
20-30	4,876	18.2	30,882	8.8	-645	-1.5	31,527	10.2	-2.1
30-40	3,775	14.1	43,104	9.5	1,297	2.4	41,806	10.5	3.0
40-50	2,687	10.0	55,525	8.7	3,554	4.6	51,971	9.3	6.4
50-75	4,966	18.6	76,568	22.2	9,361	22.4	67,207	22.1	12.2
75-100	2,515	9.4	107,149	15.7	16,817	20.4	90,332	15.1	15.7
100-200	2,130	8.0	158,986	19.7	30,282	31.1	128,704	18.2	19.1
200-500	240	0.9	338,403	4.7	81,226	9.4	257,177	4.1	24.0
500-1,000	26	0.1	821,434	1.3	222,232	2.8	599,201	1.0	27.1
More than 1,000	18	0.1	3,930,013	4.1	1,307,863	11.3	2,622,150	3.1	33.3
All	26,775	100.0	64,111	100.0	7,758	100.0	56,353	100.0	12.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phased-down Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-13.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-9.7
20-30	2.9	0.0	0.0	2.6	-3	0.3	0.0	-0.4	0.0	-4.1
30-40	6.2	*	0.0	5.7	-9	-1.7	0.0	0.1	0.0	1.2
40-50	8.6	0.0	0.0	7.0	-14	-0.5	0.0	0.7	0.0	5.5
50-75	9.9	*	0.0	15.9	-15	-0.2	0.0	3.6	0.0	10.7
75-100	9.8	0.0	0.0	11.7	-15	-0.1	0.0	4.7	0.0	13.7
100-200	11.6	0.0	0.0	38.3	-19	-0.1	0.0	24.3	0.0	16.6
200-500	10.8	0.0	0.0	17.4	-19	0.0	0.0	28.5	0.0	21.2
500-1,000	5.8	0.0	0.0	0.9	-10	0.0	0.0	8.4	0.0	26.4
More than 1,000	4.4	0.0	0.0	0.5	-9	0.0	0.0	30.6	0.0	33.4
All	8.1	0.0	0.0	100.0	-13	0.0	0.0	100.0	0.0	19.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,301	2.3	7,817	0.1	-1,021	-0.1	8,837	0.2	-13.1
10-20	4,676	8.4	19,091	1.0	-1,851	-0.5	20,942	1.4	-9.7
20-30	5,797	10.4	30,843	2.0	-1,246	-0.4	32,089	2.6	-4.0
30-40	4,606	8.3	43,192	2.3	523	0.1	42,669	2.8	1.2
40-50	3,694	6.6	55,792	2.3	3,056	0.7	52,736	2.8	5.5
50-75	7,624	13.7	76,774	6.6	8,221	3.6	68,553	7.4	10.7
75-100	5,504	9.9	108,192	6.8	14,806	4.7	93,386	7.3	13.7
100-200	14,466	25.9	174,353	28.6	29,021	24.3	145,332	29.6	16.6
200-500	6,661	11.9	347,846	26.3	73,763	28.4	274,083	25.7	21.2
500-1,000	660	1.2	827,963	6.2	218,841	8.4	609,122	5.7	26.4
More than 1,000	411	0.7	3,848,368	17.9	1,285,657	30.6	2,562,711	14.8	33.4
All	55,806	100.0	158,057	100.0	30,953	100.0	127,103	100.0	19.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

\* 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 would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T13-0291**  
**Index Maximum Eligible Expense and AGI Phased-down Threshold and Step Size for the Child and Dependent Care Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.2
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	0.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	1.7
30-40	0.1	0.0	0.0	9.4	0	0.0	0.0	0.9	0.0	4.0
40-50	0.0	0.0	0.0	0.1	0	0.0	0.0	1.7	0.0	6.5
50-75	*	0.0	0.0	9.6	0	0.0	0.0	6.2	0.0	9.9
75-100	0.1	0.0	0.0	24.3	0	0.0	0.0	7.4	0.0	13.0
100-200	0.1	0.0	0.0	39.3	0	0.0	0.0	22.9	0.0	16.0
200-500	0.2	0.0	0.0	15.4	0	0.0	0.0	19.7	0.0	21.1
500-1,000	0.2	0.0	0.0	1.6	0	0.0	0.0	7.6	0.0	27.2
More than 1,000	*	0.0	0.0	0.2	0	0.0	0.0	33.2	0.0	33.2
All	0.1	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	17.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2013 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,122	2.6	7,259	0.2	89	0.0	7,171	0.2	1.2
10-20	5,192	11.8	19,552	2.0	144	0.1	19,408	2.4	0.7
20-30	5,584	12.7	30,742	3.4	507	0.3	30,235	4.0	1.7
30-40	4,618	10.5	43,562	3.9	1,719	0.9	41,843	4.6	4.0
40-50	4,278	9.7	55,638	4.6	3,587	1.7	52,051	5.3	6.5
50-75	7,413	16.9	76,784	11.1	7,618	6.2	69,166	12.2	9.9
75-100	4,799	10.9	108,189	10.1	14,104	7.4	94,085	10.7	13.0
100-200	7,684	17.5	169,762	25.4	27,109	22.9	142,653	26.0	16.0
200-500	2,456	5.6	346,496	16.6	73,051	19.7	273,445	15.9	21.1
500-1,000	306	0.7	830,001	5.0	225,517	7.6	604,484	4.4	27.2
More than 1,000	242	0.6	3,759,936	17.7	1,248,994	33.2	2,510,942	14.4	33.2
All	43,929	100.0	116,780	100.0	20,746	100.0	96,034	100.0	17.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

\* Less than 0.05

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

(1) Calendar year. Baseline is current law. Proposal would index the \$3000 (\$6,000 for two or more eligible individuals) maximum eligible expenses for the child and dependent care credit. Under current law, the top 35 percent credit rate phases down 1 percentage point for each \$2,000 (or fraction thereof) by which adjusted gross income exceeds \$15,000. The rate does not fall below 20 percent. Proposal would index both the \$15,000 AGI threshold and the \$2,000 increment. Indexed amounts in all options would be rounded to the next lowest multiple of \$50. 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 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.