

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

Table T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2015 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	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					
Lowest Quintile	1.6	-741	0.0	0	0.1	52.4	-12	-0.1	3.1
Second Quintile	1.9	-559	0.0	0	0.0	39.5	-10	0.0	8.4
Middle Quintile	0.4	-447	0.0	0	0.0	5.7	-2	0.0	14.0
Fourth Quintile	0.1	-625	0.0	0	0.0	1.0	0	0.0	17.0
Top Quintile	*	**	0.0	0	0.0	0.2	0	0.0	25.6
All	0.9	-637	0.0	0	0.0	100.0	-6	0.0	19.7
Addendum									
80-90	*	**	0.0	0	0.0	0.1	0	0.0	19.1
90-95	*	**	0.0	0	0.0	0.1	0	0.0	20.9
95-99	*	**	0.0	0	0.0	0.0	0	0.0	24.3
Top 1 Percent	*	**	0.0	0	0.0	0.0	0	0.0	33.9
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	36.1

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law. Proposal would make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. 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) 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% \$24,844; 40% \$48,286; 60% \$82,182; 80% \$137,646; 90% \$188,942; 95% \$271,750; 99% \$641,453; 99.9% \$3,329,195.

(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2015 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.6	0.0	0.1	52.4	-12	-2.5	0.0	0.7	-0.1	3.1
Second Quintile	1.9	0.0	0.0	39.5	-10	-0.3	0.0	3.9	0.0	8.4
Middle Quintile	0.4	0.0	0.0	5.7	-2	0.0	0.0	10.4	0.0	14.0
Fourth Quintile	0.1	0.0	0.0	1.0	0	0.0	0.0	17.4	0.0	17.0
Top Quintile	*	0.0	0.0	0.2	0	0.0	0.0	67.3	0.0	25.6
All	0.9	0.0	0.0	100.0	-6	0.0	0.0	100.0	0.0	19.7
Addendum										
80-90	*	0.0	0.0	0.1	0	0.0	0.0	12.7	0.0	19.1
90-95	*	0.0	0.0	0.1	0	0.0	0.0	9.8	0.0	20.9
95-99	*	0.0	0.0	0.0	0	0.0	0.0	15.1	0.0	24.3
Top 1 Percent	*	0.0	0.0	0.0	0	0.0	0.0	29.7	0.0	33.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	15.0	0.0	36.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2015 ¹

Expanded 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	43,476	26.5	15,006	4.5	471	0.7	14,535	5.4	3.1	
Second Quintile	36,374	22.2	37,120	9.2	3,116	3.9	34,004	10.5	8.4	
Middle Quintile	32,412	19.8	66,179	14.6	9,242	10.4	56,937	15.7	14.0	
Fourth Quintile	26,575	16.2	111,245	20.2	18,926	17.4	92,318	20.8	17.0	
Top Quintile	23,244	14.2	326,417	51.7	83,488	67.3	242,929	47.9	25.6	
All	163,798	100.0	89,591	100.0	17,610	100.0	71,982	100.0	19.7	
Addendum										
80-90	11,605	7.1	165,125	13.1	31,611	12.7	133,515	13.1	19.1	
90-95	5,784	3.5	232,934	9.2	48,779	9.8	184,155	9.0	20.9	
95-99	4,669	2.9	384,081	12.2	93,214	15.1	290,868	11.5	24.3	
Top 1 Percent	1,185	0.7	2,135,597	17.2	722,818	29.7	1,412,778	14.2	33.9	
Top 0.1 Percent	121	0.1	9,836,226	8.1	3,552,729	15.0	6,283,497	6.5	36.1	

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. 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>

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(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	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	64.5	-17	20.8	0.0	-0.1	-0.1	-0.7
Second Quintile	1.7	0.0	0.0	30.9	-9	-0.4	0.0	2.6	0.0	6.6
Middle Quintile	0.2	0.0	0.0	2.9	-1	0.0	0.0	8.0	0.0	12.3
Fourth Quintile	*	0.0	0.0	0.3	0	0.0	0.0	16.7	0.0	16.5
Top Quintile	*	0.0	0.0	0.1	0	0.0	0.0	72.6	0.0	25.3
All	0.9	0.0	0.0	100.0	-6	0.0	0.0	100.0	0.0	19.7
Addendum										
80-90	*	0.0	0.0	0.1	0	0.0	0.0	14.4	0.0	19.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	21.3
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	16.4	0.0	24.0
Top 1 Percent	*	0.0	0.0	0.0	0	0.0	0.0	30.7	0.0	33.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	15.6	0.0	36.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	35,361	21.6	14,169	3.4	-84	-0.1	14,253	4.3	-0.6	
Second Quintile	33,995	20.8	33,076	7.7	2,187	2.6	30,889	8.9	6.6	
Middle Quintile	32,189	19.7	58,384	12.8	7,191	8.0	51,193	14.0	12.3	
Fourth Quintile	30,310	18.5	96,483	19.9	15,877	16.7	80,606	20.7	16.5	
Top Quintile	30,227	18.5	273,332	56.3	69,238	72.6	204,094	52.3	25.3	
All	163,798	100.0	89,591	100.0	17,610	100.0	71,982	100.0	19.7	
Addendum										
80-90	15,281	9.3	141,161	14.7	27,127	14.4	114,034	14.8	19.2	
90-95	7,613	4.7	196,614	10.2	41,913	11.1	154,701	10.0	21.3	
95-99	5,922	3.6	333,323	13.5	79,871	16.4	253,452	12.7	24.0	
Top 1 Percent	1,410	0.9	1,867,424	18.0	628,295	30.7	1,239,129	14.8	33.7	
Top 0.1 Percent	143	0.1	8,707,127	8.5	3,144,399	15.6	5,562,728	6.8	36.1	

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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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% \$17,272; 40% \$31,839; 60% \$52,010; 80% \$82,156; 90% \$114,173; 95% \$160,278; 99% \$378,492; 99.9% \$2,000,458.

(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.9	0.0	0.1	88.1	-7	-1.3	0.0	1.7	-0.1	4.8
Second Quintile	0.2	0.0	0.0	11.7	-1	-0.1	0.0	6.1	0.0	8.9
Middle Quintile	*	0.0	0.0	0.2	0	0.0	0.0	12.7	0.0	13.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	21.5	0.0	18.7
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	57.7	0.0	25.8
All	0.3	0.0	0.0	100.0	-2	0.0	0.0	100.0	0.0	18.7
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	14.5	0.0	21.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	23.1
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	12.2	0.0	24.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	19.9	0.0	34.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	10.6	0.0	38.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	21,755	29.2	11,102	6.8	536	1.8	10,566	8.0	4.8	
Second Quintile	17,975	24.1	25,209	12.8	2,252	6.1	22,957	14.3	8.9	
Middle Quintile	14,155	19.0	43,007	17.2	5,950	12.7	37,058	18.2	13.8	
Fourth Quintile	11,194	15.0	68,398	21.6	12,759	21.5	55,638	21.6	18.7	
Top Quintile	8,551	11.5	173,382	41.8	44,806	57.7	128,576	38.1	25.8	
All	74,471	100.0	47,634	100.0	8,922	100.0	38,712	100.0	18.7	
Addendum										
80-90	4,540	6.1	99,929	12.8	21,196	14.5	78,733	12.4	21.2	
90-95	2,300	3.1	138,513	9.0	32,051	11.1	106,461	8.5	23.1	
95-99	1,415	1.9	234,702	9.4	57,320	12.2	177,382	8.7	24.4	
Top 1 Percent	297	0.4	1,273,527	10.7	444,661	19.9	828,866	8.5	34.9	
Top 0.1 Percent	30	0.0	6,221,613	5.2	2,379,547	10.6	3,842,066	3.9	38.3	

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

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see

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(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.2	0.0	0.0	39.7	-6	1.8	0.0	-0.1	0.0	-1.6
Second Quintile	1.0	0.0	0.0	44.9	-4	-0.2	0.0	1.1	0.0	5.8
Middle Quintile	0.1	0.0	0.0	9.1	-1	0.0	0.0	5.0	0.0	11.1
Fourth Quintile	*	0.0	0.0	3.2	0	0.0	0.0	14.2	0.0	15.4
Top Quintile	*	0.0	0.0	1.1	0	0.0	0.0	79.5	0.0	25.1
All	0.3	0.0	0.0	100.0	-1	0.0	0.0	100.0	0.0	21.0
Addendum										
80-90	*	0.0	0.0	0.9	0	0.0	0.0	14.5	0.0	18.5
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.4	0.0	20.7
95-99	*	0.0	0.0	0.2	0	0.0	0.0	18.6	0.0	23.8
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	35.1	0.0	33.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	17.4	0.0	35.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	5,320	8.6	20,017	1.1	-322	-0.1	20,338	1.4	-1.6	
Second Quintile	8,306	13.3	44,644	3.9	2,595	1.1	42,049	4.6	5.8	
Middle Quintile	12,244	19.7	74,496	9.5	8,296	5.0	66,199	10.7	11.1	
Fourth Quintile	15,779	25.3	117,945	19.3	18,168	14.2	99,776	20.7	15.4	
Top Quintile	19,975	32.1	319,632	66.4	80,324	79.5	239,308	62.9	25.1	
All	62,259	100.0	154,563	100.0	32,404	100.0	122,159	100.0	21.0	
Addendum										
80-90	9,738	15.6	162,019	16.4	29,974	14.5	132,044	16.9	18.5	
90-95	4,912	7.9	226,498	11.6	46,828	11.4	179,670	11.6	20.7	
95-99	4,276	6.9	368,487	16.4	87,584	18.6	280,903	15.8	23.8	
Top 1 Percent	1,049	1.7	2,019,224	22.0	674,799	35.1	1,344,425	18.6	33.4	
Top 0.1 Percent	105	0.2	9,340,939	10.2	3,342,795	17.4	5,998,144	8.3	35.8	

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

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(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	7.6	0.0	0.3	61.4	-54	3.3	-0.4	-10.3	-0.3	-9.2
Second Quintile	6.3	0.0	0.1	34.1	-34	-2.4	-0.1	7.4	-0.1	3.5
Middle Quintile	0.9	0.0	0.0	3.0	-4	-0.1	0.1	29.6	0.0	12.4
Fourth Quintile	*	0.0	0.0	0.0	0	0.0	0.2	30.8	0.0	17.0
Top Quintile	*	0.0	0.0	0.0	0	0.0	0.2	42.4	0.0	24.3
All	4.6	0.0	0.1	100.0	-29	-0.5	0.0	100.0	-0.1	10.9
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	14.6	0.0	20.4
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	6.4	0.0	21.7
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	8.5	0.0	24.4
Top 1 Percent	0.7	0.0	0.0	0.0	-4	0.0	0.1	12.9	0.0	33.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	6.2	0.0	35.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	7,977	33.2	18,688	12.1	-1,669	-9.9	20,358	14.8	-8.9	
Second Quintile	7,174	29.9	39,600	23.1	1,416	7.6	38,184	25.0	3.6	
Middle Quintile	4,992	20.8	63,863	25.9	7,916	29.4	55,947	25.5	12.4	
Fourth Quintile	2,595	10.8	93,366	19.7	15,850	30.6	77,516	18.4	17.0	
Top Quintile	1,112	4.6	209,928	19.0	50,900	42.2	159,028	16.2	24.3	
All	24,016	100.0	51,196	100.0	5,589	100.0	45,606	100.0	10.9	
Addendum										
80-90	707	2.9	134,514	7.7	27,475	14.5	107,039	6.9	20.4	
90-95	218	0.9	181,693	3.2	39,406	6.4	142,287	2.8	21.7	
95-99	156	0.7	297,476	3.8	72,576	8.5	224,901	3.2	24.4	
Top 1 Percent	30	0.1	1,718,596	4.2	567,535	12.8	1,151,060	3.2	33.0	
Top 0.1 Percent	3	0.0	8,467,773	1.9	2,997,198	6.2	5,470,574	1.4	35.4	

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

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. 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) 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% \$17,272; 40% \$31,839; 60% \$52,010; 80% \$82,156; 90% \$114,173; 95% \$160,278; 99% \$378,492; 99.9% \$2,000,458.

(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	7.2	0.0	0.2	63.9	-52	2.6	-0.1	-2.0	-0.3	-10.5
Second Quintile	5.0	0.0	0.1	31.4	-25	-1.5	0.0	1.6	-0.1	3.7
Middle Quintile	0.5	0.0	0.0	2.9	-2	0.0	0.0	9.0	0.0	12.3
Fourth Quintile	*	0.0	0.0	0.3	0	0.0	0.0	19.2	0.0	16.2
Top Quintile	*	0.0	0.0	0.1	0	0.0	0.1	72.0	0.0	25.4
All	2.7	0.0	0.0	100.0	-17	-0.1	0.0	100.0	0.0	18.6
Addendum										
80-90	*	0.0	0.0	0.1	0	0.0	0.0	14.2	0.0	19.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.0	0.0	21.1
95-99	*	0.0	0.0	0.0	0	0.0	0.0	16.2	0.0	24.5
Top 1 Percent	0.1	0.0	0.0	0.0	0	0.0	0.0	30.6	0.0	33.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.3	0.0	35.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	10,705	20.9	19,909	3.6	-2,028	-2.0	21,937	4.8	-10.2	
Second Quintile	10,704	20.9	45,013	8.1	1,675	1.6	43,338	9.6	3.7	
Middle Quintile	10,325	20.2	78,905	13.7	9,699	9.0	69,206	14.7	12.3	
Fourth Quintile	10,260	20.0	128,289	22.1	20,729	19.2	107,561	22.8	16.2	
Top Quintile	8,772	17.1	357,823	52.7	90,815	71.9	267,008	48.3	25.4	
All	51,185	100.0	116,431	100.0	21,643	100.0	94,788	100.0	18.6	
Addendum										
80-90	4,493	8.8	184,229	13.9	35,076	14.2	149,153	13.8	19.0	
90-95	2,159	4.2	265,867	9.6	56,132	10.9	209,735	9.3	21.1	
95-99	1,687	3.3	434,749	12.3	106,340	16.2	328,409	11.4	24.5	
Top 1 Percent	434	0.9	2,314,347	16.9	780,389	30.6	1,533,958	13.7	33.7	
Top 0.1 Percent	41	0.1	10,844,639	7.4	3,888,850	14.3	6,955,788	5.8	35.9	

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 make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. 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) 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% \$17,272; 40% \$31,839; 60% \$52,010; 80% \$82,156; 90% \$114,173; 95% \$160,278; 99% \$378,492; 99.9% \$2,000,458.

(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 T13-0278
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	42.3	0	-0.1	0.0	0.1	0.0	0.7
Second Quintile	0.1	0.0	0.0	49.7	0	0.0	0.0	1.3	0.0	2.5
Middle Quintile	*	0.0	0.0	8.1	0	0.0	0.0	5.4	0.0	6.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	12.1
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	79.9	0.0	24.8
All	*	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	17.1
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	12.6	0.0	16.0
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	9.4	0.0	19.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	17.9	0.0	22.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	39.9	0.0	34.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	20.9	0.0	36.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded 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	6,889	18.5	13,324	3.1	98	0.1	13,227	3.7	0.7	
Second Quintile	9,257	24.9	28,006	8.8	696	1.3	27,309	10.3	2.5	
Middle Quintile	8,322	22.4	51,350	14.5	3,271	5.4	48,079	16.4	6.4	
Fourth Quintile	6,310	17.0	86,346	18.5	10,480	13.1	75,866	19.6	12.1	
Top Quintile	6,185	16.7	262,957	55.1	65,159	79.9	197,798	50.0	24.8	
All	37,154	100.0	79,431	100.0	13,580	100.0	65,851	100.0	17.1	
Addendum										
80-90	3,136	8.4	126,807	13.5	20,250	12.6	106,557	13.7	16.0	
90-95	1,394	3.8	175,621	8.3	34,085	9.4	141,535	8.1	19.4	
95-99	1,310	3.5	301,905	13.4	69,095	17.9	232,810	12.5	22.9	
Top 1 Percent	345	0.9	1,707,337	19.9	584,619	39.9	1,122,718	15.8	34.2	
Top 0.1 Percent	37	0.1	7,836,971	9.7	2,882,346	20.9	4,954,626	7.4	36.8	

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 make the child and dependent care tax credit fully refundable. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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(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.