

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

Table T13-0280
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 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 | 1.9 | -808 | 0.0 | 0 | 0.1 | 61.5 | -15 | -0.1 | 4.4 |
| Second Quintile | 1.6 | -626 | 0.0 | 0 | 0.0 | 33.7 | -10 | 0.0 | 8.6 |
| Middle Quintile | 0.2 | -491 | 0.0 | 0 | 0.0 | 3.1 | -1 | 0.0 | 14.8 |
| Fourth Quintile | * | ** | 0.0 | 0 | 0.0 | 0.6 | 0 | 0.0 | 17.2 |
| Top Quintile | * | ** | 0.0 | 0 | 0.0 | 0.1 | 0 | 0.0 | 25.6 |
| All | 0.9 | -725 | 0.0 | 0 | 0.0 | 100.0 | -6 | 0.0 | 20.2 |
| Addendum | | | | | | | | | |
| 80-90 | * | ** | 0.0 | 0 | 0.0 | 0.1 | 0 | 0.0 | 19.4 |
| 90-95 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 21.3 |
| 95-99 | * | ** | 0.0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 24.2 |
| Top 1 Percent | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 33.0 |
| Top 0.1 Percent | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 34.8 |

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 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% \$26,827; 40% \$54,460; 60% \$95,241; 80% \$156,821; 90% \$230,152; 95% \$304,802; 99% \$784,795; 99.9% \$4,787,602.

(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 T13-0280
Make the Child and Dependent Care Credit Fully Refundable
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 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 | 1.9 | 0.0 | 0.1 | 61.5 | -15 | -1.7 | 0.0 | 0.9 | -0.1 | 4.4 |
| Second Quintile | 1.6 | 0.0 | 0.0 | 33.7 | -10 | -0.2 | 0.0 | 3.6 | 0.0 | 8.6 |
| Middle Quintile | 0.2 | 0.0 | 0.0 | 3.1 | -1 | 0.0 | 0.0 | 10.6 | 0.0 | 14.8 |
| Fourth Quintile | * | 0.0 | 0.0 | 0.6 | 0 | 0.0 | 0.0 | 16.7 | 0.0 | 17.2 |
| Top Quintile | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 68.1 | 0.0 | 25.6 |
| All | 0.9 | 0.0 | 0.0 | 100.0 | -6 | 0.0 | 0.0 | 100.0 | 0.0 | 20.2 |
| Addendum | | | | | | | | | | |
| 80-90 | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 13.0 | 0.0 | 19.4 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 9.6 | 0.0 | 21.3 |
| 95-99 | * | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.4 | 0.0 | 24.2 |
| Top 1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 31.1 | 0.0 | 33.0 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.7 | 0.0 | 34.8 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2023 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 | 44,500 | 25.8 | 19,943 | 4.0 | 896 | 0.9 | 19,046 | 4.8 | 4.5 |
| Second Quintile | 37,598 | 21.8 | 48,962 | 8.4 | 4,208 | 3.6 | 44,754 | 9.6 | 8.6 |
| Middle Quintile | 35,272 | 20.4 | 90,176 | 14.5 | 13,341 | 10.6 | 76,834 | 15.4 | 14.8 |
| Fourth Quintile | 28,346 | 16.4 | 152,357 | 19.6 | 26,153 | 16.7 | 126,204 | 20.4 | 17.2 |
| Top Quintile | 25,147 | 14.6 | 468,910 | 53.6 | 120,172 | 68.0 | 348,738 | 50.0 | 25.6 |
| All | 172,542 | 100.0 | 127,451 | 100.0 | 25,740 | 100.0 | 101,711 | 100.0 | 20.2 |
| Addendum | | | | | | | | | |
| 80-90 | 12,783 | 7.4 | 232,985 | 13.5 | 45,234 | 13.0 | 187,751 | 13.7 | 19.4 |
| 90-95 | 6,110 | 3.5 | 326,077 | 9.1 | 69,532 | 9.6 | 256,545 | 8.9 | 21.3 |
| 95-99 | 4,970 | 2.9 | 529,322 | 12.0 | 128,185 | 14.3 | 401,137 | 11.4 | 24.2 |
| Top 1 Percent | 1,284 | 0.7 | 3,263,234 | 19.1 | 1,076,081 | 31.1 | 2,187,153 | 16.0 | 33.0 |
| Top 0.1 Percent | 130 | 0.1 | 14,515,561 | 8.6 | 5,049,507 | 14.7 | 9,466,054 | 7.0 | 34.8 |

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 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% \$26,827; 40% \$54,460; 60% \$95,241; 80% \$156,821; 90% \$230,152; 95% \$304,802; 99% \$784,795; 99.9% \$4,787,602.

(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 T13-0280
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, 2023 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 | 2.8 | 0.0 | 0.1 | 74.0 | -22 | -7.9 | 0.0 | 0.2 | -0.1 | 1.4 |
| Second Quintile | 1.2 | 0.0 | 0.0 | 22.4 | -7 | -0.2 | 0.0 | 2.8 | 0.0 | 7.9 |
| Middle Quintile | 0.1 | 0.0 | 0.0 | 2.4 | -1 | 0.0 | 0.0 | 8.1 | 0.0 | 13.0 |
| Fourth Quintile | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 16.5 | 0.0 | 16.9 |
| Top Quintile | 0.0 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 72.2 | 0.0 | 25.3 |
| All | 0.9 | 0.0 | 0.0 | 100.0 | -6 | 0.0 | 0.0 | 100.0 | 0.0 | 20.2 |
| Addendum | | | | | | | | | | |
| 80-90 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.1 | 0.0 | 19.5 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.3 | 0.0 | 21.0 |
| 95-99 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 15.9 | 0.0 | 23.9 |
| Top 1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 31.9 | 0.0 | 32.8 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 15.4 | 0.0 | 34.8 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 36,160 | 21.0 | 18,975 | 3.1 | 282 | 0.2 | 18,693 | 3.9 | 1.5 | |
| Second Quintile | 36,291 | 21.0 | 43,302 | 7.2 | 3,431 | 2.8 | 39,871 | 8.2 | 7.9 | |
| Middle Quintile | 33,999 | 19.7 | 81,191 | 12.6 | 10,574 | 8.1 | 70,617 | 13.7 | 13.0 | |
| Fourth Quintile | 32,725 | 19.0 | 132,961 | 19.8 | 22,429 | 16.5 | 110,532 | 20.6 | 16.9 | |
| Top Quintile | 31,689 | 18.4 | 399,202 | 57.5 | 101,100 | 72.1 | 298,101 | 53.8 | 25.3 | |
| All | 172,542 | 100.0 | 127,451 | 100.0 | 25,740 | 100.0 | 101,711 | 100.0 | 20.2 | |
| Addendum | | | | | | | | | | |
| 80-90 | 16,056 | 9.3 | 199,688 | 14.6 | 38,892 | 14.1 | 160,796 | 14.7 | 19.5 | |
| 90-95 | 7,679 | 4.5 | 283,717 | 9.9 | 59,524 | 10.3 | 224,193 | 9.8 | 21.0 | |
| 95-99 | 6,475 | 3.8 | 455,053 | 13.4 | 108,706 | 15.9 | 346,347 | 12.8 | 23.9 | |
| Top 1 Percent | 1,478 | 0.9 | 2,921,599 | 19.6 | 959,478 | 31.9 | 1,962,121 | 16.5 | 32.8 | |
| Top 0.1 Percent | 151 | 0.1 | 13,029,427 | 9.0 | 4,534,084 | 15.4 | 8,495,343 | 7.3 | 34.8 | |

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 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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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 T13-0280
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, 2023 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 | 0.8 | 0.0 | 0.1 | 84.4 | -8 | -0.8 | 0.0 | 2.2 | -0.1 | 6.9 |
| Second Quintile | 0.2 | 0.0 | 0.0 | 15.5 | -2 | -0.1 | 0.0 | 5.9 | 0.0 | 8.9 |
| Middle Quintile | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 12.0 | 0.0 | 13.1 |
| Fourth Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 21.1 | 0.0 | 18.2 |
| Top Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 58.6 | 0.0 | 25.4 |
| All | 0.3 | 0.0 | 0.0 | 100.0 | -3 | 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 | 14.9 | 0.0 | 20.5 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 7.7 | 0.0 | 21.2 |
| 95-99 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 13.6 | 0.0 | 24.0 |
| Top 1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 22.4 | 0.0 | 34.7 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 11.4 | 0.0 | 37.2 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 20,234 | 27.4 | 14,557 | 5.9 | 1,012 | 2.2 | 13,545 | 6.8 | 7.0 | |
| Second Quintile | 18,704 | 25.3 | 32,828 | 12.4 | 2,920 | 5.9 | 29,908 | 13.9 | 8.9 | |
| Middle Quintile | 14,241 | 19.3 | 59,609 | 17.1 | 7,794 | 12.0 | 51,815 | 18.3 | 13.1 | |
| Fourth Quintile | 11,410 | 15.4 | 94,226 | 21.7 | 17,174 | 21.1 | 77,052 | 21.8 | 18.2 | |
| Top Quintile | 8,509 | 11.5 | 251,406 | 43.1 | 63,959 | 58.6 | 187,448 | 39.5 | 25.4 | |
| All | 73,898 | 100.0 | 67,171 | 100.0 | 12,566 | 100.0 | 54,605 | 100.0 | 18.7 | |
| Addendum | | | | | | | | | | |
| 80-90 | 4,827 | 6.5 | 140,001 | 13.6 | 28,663 | 14.9 | 111,338 | 13.3 | 20.5 | |
| 90-95 | 1,749 | 2.4 | 193,292 | 6.8 | 40,984 | 7.7 | 152,308 | 6.6 | 21.2 | |
| 95-99 | 1,637 | 2.2 | 321,444 | 10.6 | 77,190 | 13.6 | 244,254 | 9.9 | 24.0 | |
| Top 1 Percent | 295 | 0.4 | 2,029,492 | 12.1 | 704,026 | 22.4 | 1,325,466 | 9.7 | 34.7 | |
| Top 0.1 Percent | 30 | 0.0 | 9,612,297 | 5.7 | 3,576,787 | 11.4 | 6,035,509 | 4.4 | 37.2 | |

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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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 T13-0280
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, 2023 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 | 1.3 | 0.0 | 0.0 | 49.8 | -7 | -5.2 | 0.0 | 0.0 | 0.0 | 0.5 |
| Second Quintile | 0.7 | 0.0 | 0.0 | 31.8 | -3 | -0.1 | 0.0 | 1.4 | 0.0 | 8.1 |
| Middle Quintile | 0.1 | 0.0 | 0.0 | 12.9 | -1 | 0.0 | 0.0 | 5.5 | 0.0 | 12.7 |
| Fourth Quintile | * | 0.0 | 0.0 | 1.1 | 0 | 0.0 | 0.0 | 14.3 | 0.0 | 16.2 |
| Top Quintile | 0.0 | 0.0 | 0.0 | 0.7 | 0 | 0.0 | 0.0 | 78.6 | 0.0 | 25.2 |
| All | 0.2 | 0.0 | 0.0 | 100.0 | -1 | 0.0 | 0.0 | 100.0 | 0.0 | 21.5 |
| Addendum | | | | | | | | | | |
| 80-90 | 0.0 | 0.0 | 0.0 | 0.5 | 0 | 0.0 | 0.0 | 14.2 | 0.0 | 19.1 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 11.5 | 0.0 | 20.8 |
| 95-99 | 0.0 | 0.0 | 0.0 | 0.2 | 0 | 0.0 | 0.0 | 17.3 | 0.0 | 23.8 |
| Top 1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 35.6 | 0.0 | 32.6 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.8 | 0.0 | 34.5 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 5,436 | 8.0 | 26,576 | 1.0 | 142 | 0.0 | 26,435 | 1.2 | 0.5 | |
| Second Quintile | 9,236 | 13.5 | 58,765 | 3.6 | 4,762 | 1.4 | 54,003 | 4.3 | 8.1 | |
| Middle Quintile | 13,569 | 19.9 | 103,303 | 9.4 | 13,077 | 5.5 | 90,227 | 10.5 | 12.7 | |
| Fourth Quintile | 17,691 | 25.9 | 160,423 | 19.1 | 25,912 | 14.3 | 134,512 | 20.4 | 16.2 | |
| Top Quintile | 21,701 | 31.8 | 460,381 | 67.1 | 116,055 | 78.6 | 344,326 | 63.9 | 25.2 | |
| All | 68,289 | 100.0 | 218,177 | 100.0 | 46,936 | 100.0 | 171,241 | 100.0 | 21.5 | |
| Addendum | | | | | | | | | | |
| 80-90 | 10,343 | 15.2 | 230,259 | 16.0 | 43,857 | 14.2 | 186,403 | 16.5 | 19.1 | |
| 90-95 | 5,634 | 8.3 | 314,413 | 11.9 | 65,431 | 11.5 | 248,982 | 12.0 | 20.8 | |
| 95-99 | 4,606 | 6.7 | 506,167 | 15.7 | 120,394 | 17.3 | 385,773 | 15.2 | 23.8 | |
| Top 1 Percent | 1,119 | 1.6 | 3,133,561 | 23.5 | 1,020,305 | 35.6 | 2,113,256 | 20.2 | 32.6 | |
| Top 0.1 Percent | 111 | 0.2 | 13,971,908 | 10.5 | 4,816,446 | 16.7 | 9,155,462 | 8.7 | 34.5 | |

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

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would 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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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 T13-0280
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, 2023 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 | 7.8 | 0.0 | 0.2 | 74.0 | -61 | 5.2 | -0.3 | -6.0 | -0.3 | -5.1 |
| Second Quintile | 4.2 | 0.0 | 0.1 | 23.1 | -25 | -0.9 | -0.1 | 10.6 | -0.1 | 5.7 |
| Middle Quintile | 0.6 | 0.0 | 0.0 | 1.9 | -3 | 0.0 | 0.1 | 29.6 | 0.0 | 13.7 |
| Fourth Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 30.4 | 0.0 | 17.9 |
| Top Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 35.2 | 0.0 | 25.2 |
| All | 4.3 | 0.0 | 0.1 | 100.0 | -31 | -0.4 | 0.0 | 100.0 | -0.1 | 12.1 |
| Addendum | | | | | | | | | | |
| 80-90 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.5 | 0.0 | 20.8 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 4.7 | 0.0 | 23.0 |
| 95-99 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 7.0 | 0.0 | 24.2 |
| Top 1 Percent | 0.1 | 0.0 | 0.0 | 0.0 | -1 | 0.0 | 0.1 | 13.0 | 0.0 | 32.5 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 6.1 | 0.0 | 34.5 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 10,087 | 37.7 | 23,866 | 14.0 | -1,163 | -5.7 | 25,029 | 16.7 | -4.9 | |
| Second Quintile | 7,600 | 28.4 | 50,782 | 22.5 | 2,902 | 10.6 | 47,880 | 24.1 | 5.7 | |
| Middle Quintile | 5,258 | 19.6 | 85,209 | 26.1 | 11,661 | 29.5 | 73,549 | 25.6 | 13.7 | |
| Fourth Quintile | 2,767 | 10.3 | 127,009 | 20.5 | 22,735 | 30.3 | 104,274 | 19.1 | 17.9 | |
| Top Quintile | 923 | 3.5 | 313,363 | 16.9 | 78,935 | 35.1 | 234,428 | 14.3 | 25.2 | |
| All | 26,775 | 100.0 | 64,111 | 100.0 | 7,758 | 100.0 | 56,353 | 100.0 | 12.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 577 | 2.2 | 180,975 | 6.1 | 37,691 | 10.5 | 143,284 | 5.5 | 20.8 | |
| 90-95 | 161 | 0.6 | 261,097 | 2.5 | 60,072 | 4.7 | 201,024 | 2.2 | 23.0 | |
| 95-99 | 153 | 0.6 | 391,618 | 3.5 | 94,889 | 7.0 | 296,729 | 3.0 | 24.2 | |
| Top 1 Percent | 32 | 0.1 | 2,598,720 | 4.8 | 844,221 | 13.0 | 1,754,499 | 3.7 | 32.5 | |
| Top 0.1 Percent | 3 | 0.0 | 13,352,735 | 2.1 | 4,605,650 | 6.1 | 8,747,085 | 1.6 | 34.5 | |

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

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would 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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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 T13-0280
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, 2023 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 | 74.3 | -56 | 3.7 | 0.0 | -1.2 | -0.2 | -6.2 |
| Second Quintile | 3.3 | 0.0 | 0.0 | 21.7 | -18 | -0.5 | 0.0 | 2.5 | 0.0 | 6.4 |
| Middle Quintile | 0.4 | 0.0 | 0.0 | 2.7 | -2 | 0.0 | 0.0 | 9.5 | 0.0 | 13.5 |
| Fourth Quintile | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 18.4 | 0.0 | 16.9 |
| Top Quintile | * | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 70.6 | 0.0 | 25.8 |
| All | 2.4 | 0.0 | 0.0 | 100.0 | -17 | -0.1 | 0.0 | 100.0 | 0.0 | 19.6 |
| Addendum | | | | | | | | | | |
| 80-90 | * | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.1 | 0.0 | 19.8 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.8 | 0.0 | 21.4 |
| 95-99 | * | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.4 | 0.0 | 24.8 |
| Top 1 Percent | * | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 31.3 | 0.0 | 33.3 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.0 | 0.0 | 34.9 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 12,783 | 22.9 | 25,475 | 3.7 | -1,529 | -1.1 | 27,005 | 4.9 | -6.0 |
| Second Quintile | 11,562 | 20.7 | 58,693 | 7.7 | 3,787 | 2.5 | 54,906 | 9.0 | 6.5 |
| Middle Quintile | 11,260 | 20.2 | 108,192 | 13.8 | 14,596 | 9.5 | 93,596 | 14.9 | 13.5 |
| Fourth Quintile | 10,716 | 19.2 | 175,109 | 21.3 | 29,595 | 18.4 | 145,514 | 22.0 | 16.9 |
| Top Quintile | 9,078 | 16.3 | 521,220 | 53.6 | 134,245 | 70.6 | 386,975 | 49.5 | 25.8 |
| All | 55,806 | 100.0 | 158,057 | 100.0 | 30,953 | 100.0 | 127,103 | 100.0 | 19.6 |
| Addendum | | | | | | | | | |
| 80-90 | 4,587 | 8.2 | 267,619 | 13.9 | 52,955 | 14.1 | 214,664 | 13.9 | 19.8 |
| 90-95 | 2,398 | 4.3 | 364,153 | 9.9 | 77,795 | 10.8 | 286,358 | 9.7 | 21.4 |
| 95-99 | 1,641 | 2.9 | 612,636 | 11.4 | 151,611 | 14.4 | 461,026 | 10.7 | 24.8 |
| Top 1 Percent | 451 | 0.8 | 3,601,383 | 18.4 | 1,197,421 | 31.3 | 2,403,962 | 15.3 | 33.3 |
| Top 0.1 Percent | 43 | 0.1 | 16,030,592 | 7.9 | 5,588,220 | 14.0 | 10,442,372 | 6.4 | 34.9 |

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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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 T13-0280
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, 2023 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 | 57.0 | 0 | -0.1 | 0.0 | 0.1 | 0.0 | 0.9 |
| Second Quintile | * | 0.0 | 0.0 | 1.2 | 0 | 0.0 | 0.0 | 1.2 | 0.0 | 2.8 |
| Middle Quintile | * | 0.0 | 0.0 | 41.9 | 0 | 0.0 | 0.0 | 6.4 | 0.0 | 8.0 |
| Fourth Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.1 | 0.0 | 13.4 |
| Top Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 78.1 | 0.0 | 24.1 |
| All | * | 0.0 | 0.0 | 100.0 | 0 | 0.0 | 0.0 | 100.0 | 0.0 | 17.8 |
| Addendum | | | | | | | | | | |
| 80-90 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 12.9 | 0.0 | 16.6 |
| 90-95 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.3 | 0.0 | 19.0 |
| 95-99 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 17.0 | 0.0 | 22.4 |
| Top 1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 37.9 | 0.0 | 32.5 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 17.9 | 0.0 | 34.7 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 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 | 5,833 | 13.3 | 17,250 | 2.0 | 153 | 0.1 | 17,097 | 2.4 | 0.9 | |
| Second Quintile | 10,414 | 23.7 | 36,841 | 7.5 | 1,036 | 1.2 | 35,805 | 8.8 | 2.8 | |
| Middle Quintile | 10,781 | 24.5 | 67,748 | 14.2 | 5,416 | 6.4 | 62,333 | 15.9 | 8.0 | |
| Fourth Quintile | 8,405 | 19.1 | 114,203 | 18.7 | 15,264 | 14.1 | 98,939 | 19.7 | 13.4 | |
| Top Quintile | 8,262 | 18.8 | 357,546 | 57.6 | 86,156 | 78.1 | 271,390 | 53.2 | 24.1 | |
| All | 43,929 | 100.0 | 116,780 | 100.0 | 20,746 | 100.0 | 96,034 | 100.0 | 17.8 | |
| Addendum | | | | | | | | | | |
| 80-90 | 4,122 | 9.4 | 171,828 | 13.8 | 28,596 | 12.9 | 143,232 | 14.0 | 16.6 | |
| 90-95 | 2,025 | 4.6 | 243,653 | 9.6 | 46,206 | 10.3 | 197,446 | 9.5 | 19.0 | |
| 95-99 | 1,707 | 3.9 | 404,175 | 13.5 | 90,693 | 17.0 | 313,482 | 12.7 | 22.4 | |
| Top 1 Percent | 408 | 0.9 | 2,606,329 | 20.7 | 847,756 | 37.9 | 1,758,573 | 17.0 | 32.5 | |
| Top 0.1 Percent | 41 | 0.1 | 11,462,340 | 9.2 | 3,977,518 | 17.9 | 7,484,822 | 7.3 | 34.7 | |

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>

(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% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,386; 99% \$476,111; 99.9% \$2,833,819.

(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.