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Table T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	3.1	-844	0.1	115	0.1	22.9	-26	-0.1	4.3
Second Quintile	3.1	-828	0.6	84	0.1	18.5	-25	-0.1	8.5
Middle Quintile	3.3	-867	0.1	66	0.0	19.8	-28	0.0	14.7
Fourth Quintile	4.8	-971	0.0	0	0.0	26.3	-47	0.0	17.1
Top Quintile	3.8	-907	2.5	412	0.0	12.0	-24	0.0	25.8
All	3.5	-885	0.5	310	0.0	100.0	-29	0.0	20.2
Addendum									
80-90	5.2	-967	0.1	50	0.0	12.8	-51	0.0	19.4
90-95	4.5	-766	3.9	181	0.0	3.4	-28	0.0	21.3
95-99	0.1	-693	6.8	545	0.0	-3.6	36	0.0	24.3
Top 1 Percent	0.0	0	3.2	707	0.0	-0.6	23	0.0	33.3
Top 0.1 Percent	0.0	0	2.0	775	0.0	0.0	15	0.0	35.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.1

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. 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 that 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. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$54,461; 60% \$95,242; 80% \$156,830; 90% \$230,170; 95% \$304,828; 99% \$779,871; 99.9% \$4,722,237.

(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 T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	3.1	0.1	0.1	22.9	-26	-2.9	0.0	0.9	-0.1	4.3
Second Quintile	3.1	0.6	0.1	18.5	-25	-0.6	0.0	3.5	-0.1	8.5
Middle Quintile	3.3	0.1	0.0	19.8	-28	-0.2	0.0	10.6	0.0	14.7
Fourth Quintile	4.8	0.0	0.0	26.3	-47	-0.2	0.0	16.7	0.0	17.1
Top Quintile	3.8	2.5	0.0	12.0	-24	0.0	0.1	68.2	0.0	25.8
All	3.5	0.5	0.0	100.0	-29	-0.1	0.0	100.0	0.0	20.2
Addendum										
80-90	5.2	0.1	0.0	12.8	-51	-0.1	0.0	13.0	0.0	19.4
90-95	4.5	3.9	0.0	3.4	-28	0.0	0.0	9.6	0.0	21.3
95-99	0.1	6.8	0.0	-3.6	36	0.0	0.0	14.4	0.0	24.3
Top 1 Percent	0.0	3.2	0.0	-0.6	23	0.0	0.0	31.2	0.0	33.3
Top 0.1 Percent	0.0	2.0	0.0	0.0	15	0.0	0.0	14.8	0.0	35.3

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	44,498	25.8	19,943	4.0	886	0.9	19,057	4.9	4.4	
Second Quintile	37,600	21.8	48,962	8.4	4,186	3.5	44,776	9.6	8.6	
Middle Quintile	35,273	20.4	90,178	14.5	13,321	10.6	76,857	15.5	14.8	
Fourth Quintile	28,346	16.4	152,363	19.7	26,141	16.7	126,222	20.5	17.2	
Top Quintile	25,146	14.6	466,893	53.5	120,229	68.1	346,664	49.8	25.8	
All	172,542	100.0	127,158	100.0	25,735	100.0	101,424	100.0	20.2	
Addendum										
80-90	12,780	7.4	232,988	13.6	45,237	13.0	187,751	13.7	19.4	
90-95	6,112	3.5	326,082	9.1	69,582	9.6	256,500	9.0	21.3	
95-99	4,968	2.9	528,475	12.0	128,538	14.4	399,937	11.4	24.3	
Top 1 Percent	1,286	0.8	3,222,645	18.9	1,074,057	31.1	2,148,587	15.8	33.3	
Top 0.1 Percent	130	0.1	14,259,278	8.5	5,029,207	14.7	9,230,071	6.9	35.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.1

* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. 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 that 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. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$54,461; 60% \$95,242; 80% \$156,830; 90% \$230,170; 95% \$304,828; 99% \$779,871; 99.9% \$4,722,237.

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Table T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	4.7	0.1	0.2	27.7	-39	-14.2	0.0	0.2	-0.2	1.2
Second Quintile	2.7	0.6	0.1	16.1	-22	-0.7	0.0	2.8	-0.1	7.8
Middle Quintile	4.0	0.1	0.1	24.3	-36	-0.3	0.0	8.1	0.0	13.0
Fourth Quintile	4.1	*	0.0	25.5	-39	-0.2	0.0	16.5	0.0	16.8
Top Quintile	2.1	2.0	0.0	5.9	-9	0.0	0.1	72.3	0.0	25.4
All	3.5	0.5	0.0	100.0	-29	-0.1	0.0	100.0	0.0	20.2
Addendum										
80-90	3.2	0.8	0.0	8.9	-28	-0.1	0.0	14.1	0.0	19.5
90-95	1.7	3.4	0.0	-0.2	1	0.0	0.0	10.3	0.0	21.0
95-99	*	3.1	0.0	-2.3	18	0.0	0.0	15.9	0.0	24.0
Top 1 Percent	0.0	2.3	0.0	-0.5	16	0.0	0.0	32.0	0.0	33.2
Top 0.1 Percent	0.0	1.3	0.0	0.0	10	0.0	0.0	15.4	0.0	35.3

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	36,154	21.0	18,976	3.1	272	0.2	18,704	3.9	1.4
Second Quintile	36,293	21.0	43,293	7.2	3,404	2.8	39,890	8.3	7.9
Middle Quintile	34,006	19.7	81,200	12.6	10,560	8.1	70,641	13.7	13.0
Fourth Quintile	32,723	19.0	132,962	19.8	22,415	16.5	110,547	20.7	16.9
Top Quintile	31,687	18.4	397,613	57.4	101,147	72.2	296,466	53.7	25.4
All	172,542	100.0	127,158	100.0	25,735	100.0	101,424	100.0	20.2
Addendum									
80-90	16,054	9.3	199,699	14.6	38,880	14.1	160,820	14.8	19.5
90-95	7,680	4.5	283,733	9.9	59,555	10.3	224,178	9.8	21.0
95-99	6,472	3.8	454,457	13.4	108,991	15.9	345,466	12.8	24.0
Top 1 Percent	1,481	0.9	2,885,009	19.5	957,498	31.9	1,927,511	16.3	33.2
Top 0.1 Percent	152	0.1	12,798,776	8.9	4,512,367	15.4	8,286,409	7.2	35.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.1

* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. 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 that 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. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$18,679; 40% \$35,822; 60% \$60,719; 80% \$95,971; 90% \$135,212; 95% \$184,378; 99% \$473,437; 99.9% \$2,792,993.

(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 T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	1.2	*	0.1	71.0	-11	-1.1	0.0	2.2	-0.1	6.8
Second Quintile	0.3	*	0.0	19.7	-3	-0.1	0.0	5.9	0.0	8.9
Middle Quintile	0.2	0.0	0.0	5.6	-1	0.0	0.0	12.0	0.0	13.1
Fourth Quintile	0.1	0.0	0.0	1.9	-1	0.0	0.0	21.1	0.0	18.2
Top Quintile	0.1	*	0.0	1.7	-1	0.0	0.0	58.7	0.0	25.5
All	0.5	*	0.0	100.0	-4	0.0	0.0	100.0	0.0	18.7
Addendum										
80-90	0.1	0.0	0.0	1.5	-1	0.0	0.0	14.9	0.0	20.5
90-95	0.1	0.0	0.0	0.2	0	0.0	0.0	7.7	0.0	21.2
95-99	0.0	0.1	0.0	-0.1	0	0.0	0.0	13.6	0.0	24.1
Top 1 Percent	0.0	*	0.0	0.0	0	0.0	0.0	22.4	0.0	34.9
Top 0.1 Percent	0.0	0.1	0.0	0.0	1	0.0	0.0	11.5	0.0	37.4

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	20,223	27.4	14,553	5.9	1,003	2.2	13,550	6.8	6.9	
Second Quintile	18,715	25.3	32,824	12.4	2,908	5.9	29,915	13.9	8.9	
Middle Quintile	14,241	19.3	59,611	17.1	7,791	12.0	51,820	18.3	13.1	
Fourth Quintile	11,411	15.4	94,232	21.7	17,166	21.1	77,066	21.8	18.2	
Top Quintile	8,507	11.5	251,103	43.1	64,025	58.7	187,077	39.5	25.5	
All	73,898	100.0	67,134	100.0	12,566	100.0	54,568	100.0	18.7	
Addendum										
80-90	4,826	6.5	140,014	13.6	28,650	14.9	111,364	13.3	20.5	
90-95	1,749	2.4	193,300	6.8	40,990	7.7	152,310	6.6	21.2	
95-99	1,636	2.2	321,188	10.6	77,379	13.6	243,810	9.9	24.1	
Top 1 Percent	297	0.4	2,013,358	12.0	701,961	22.4	1,311,397	9.6	34.9	
Top 0.1 Percent	30	0.0	9,454,356	5.7	3,536,179	11.5	5,918,177	4.4	37.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. 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 that 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. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$18,679; 40% \$35,822; 60% \$60,719; 80% \$95,971; 90% \$135,212; 95% \$184,378; 99% \$473,437; 99.9% \$2,792,993.

(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 T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	2.4	0.0	0.1	3.7	-13	-10.2	0.0	0.0	-0.1	0.4
Second Quintile	1.9	*	0.0	4.7	-10	-0.2	0.0	1.4	0.0	8.0
Middle Quintile	4.2	0.0	0.0	26.3	-38	-0.3	0.0	5.5	0.0	12.6
Fourth Quintile	6.2	*	0.0	51.5	-58	-0.2	0.0	14.3	0.0	16.1
Top Quintile	2.8	2.8	0.0	13.6	-12	0.0	0.0	78.7	0.0	25.3
All	3.8	0.9	0.0	100.0	-29	-0.1	0.0	100.0	0.0	21.6
Addendum										
80-90	4.7	1.2	0.0	21.5	-41	-0.1	0.0	14.1	0.0	19.0
90-95	2.0	4.6	0.0	-1.3	4	0.0	0.0	11.5	0.0	20.8
95-99	*	4.1	0.0	-5.5	24	0.0	0.0	17.4	0.0	23.9
Top 1 Percent	0.0	2.8	0.0	-1.2	20	0.0	0.0	35.6	0.0	33.0
Top 0.1 Percent	0.0	1.6	0.0	-0.1	12	0.0	0.0	16.7	0.0	35.0

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	26,577	1.0	131	0.0	26,447	1.2	0.5	
Second Quintile	9,232	13.5	58,753	3.7	4,701	1.4	54,053	4.3	8.0	
Middle Quintile	13,575	19.9	103,313	9.4	13,048	5.5	90,264	10.5	12.6	
Fourth Quintile	17,688	25.9	160,430	19.1	25,895	14.3	134,535	20.4	16.1	
Top Quintile	21,701	31.8	458,237	67.0	116,091	78.6	342,146	63.7	25.3	
All	68,289	100.0	217,498	100.0	46,929	100.0	170,569	100.0	21.6	
Addendum										
80-90	10,342	15.1	230,263	16.0	43,842	14.2	186,421	16.6	19.0	
90-95	5,635	8.3	314,427	11.9	65,469	11.5	248,958	12.0	20.8	
95-99	4,604	6.7	505,462	15.7	120,723	17.3	384,739	15.2	23.9	
Top 1 Percent	1,120	1.6	3,092,325	23.3	1,018,749	35.6	2,073,577	19.9	32.9	
Top 0.1 Percent	111	0.2	13,721,294	10.3	4,801,027	16.7	8,920,267	8.5	35.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. 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 that 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. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$18,679; 40% \$35,822; 60% \$60,719; 80% \$95,971; 90% \$135,212; 95% \$184,378; 99% \$473,437; 99.9% \$2,792,993.

(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 T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	13.0	0.4	0.4	40.1	-110	9.3	-0.6	-6.3	-0.5	-5.4
Second Quintile	9.7	2.7	0.2	23.9	-87	-3.0	-0.2	10.4	-0.2	5.5
Middle Quintile	14.2	0.4	0.2	25.0	-131	-1.1	0.1	29.6	-0.2	13.5
Fourth Quintile	8.8	0.0	0.1	9.6	-95	-0.4	0.3	30.6	-0.1	17.8
Top Quintile	4.7	2.1	0.0	0.9	-25	0.0	0.5	35.6	0.0	25.3
All	11.5	1.1	0.2	100.0	-103	-1.3	0.0	100.0	-0.2	11.9
Addendum										
80-90	3.9	*	0.0	0.6	-29	-0.1	0.1	10.6	0.0	20.8
90-95	12.3	2.6	0.0	0.5	-86	-0.1	0.1	4.7	0.0	23.0
95-99	0.4	8.6	0.0	-0.2	38	0.0	0.1	7.1	0.0	24.4
Top 1 Percent	*	5.7	0.0	-0.1	42	0.0	0.2	13.2	0.0	32.8
Top 0.1 Percent	0.0	6.3	0.0	0.0	47	0.0	0.1	6.1	0.0	35.0

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	10,093	37.7	23,871	14.0	-1,175	-5.7	25,047	16.8	-4.9	
Second Quintile	7,595	28.4	50,796	22.5	2,881	10.6	47,915	24.1	5.7	
Middle Quintile	5,258	19.6	85,212	26.1	11,650	29.5	73,562	25.6	13.7	
Fourth Quintile	2,767	10.3	127,012	20.5	22,722	30.3	104,290	19.1	17.9	
Top Quintile	923	3.5	312,463	16.8	78,996	35.2	233,467	14.3	25.3	
All	26,775	100.0	64,081	100.0	7,745	100.0	56,336	100.0	12.1	
Addendum										
80-90	577	2.2	180,981	6.1	37,689	10.5	143,292	5.5	20.8	
90-95	161	0.6	261,107	2.5	60,094	4.7	201,013	2.2	23.0	
95-99	153	0.6	391,250	3.5	95,254	7.0	295,997	3.0	24.4	
Top 1 Percent	32	0.1	2,574,084	4.8	844,102	13.0	1,729,982	3.7	32.8	
Top 0.1 Percent	3	0.0	13,284,269	2.1	4,644,962	6.0	8,639,308	1.5	35.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

* Less than 0.05

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). 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% \$18,679; 40% \$35,822; 60% \$60,719; 80% \$95,971; 90% \$135,212; 95% \$184,378; 99% \$473,437; 99.9% \$2,792,993.

(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 T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	11.8	0.4	0.4	26.4	-97	6.3	-0.1	-1.2	-0.4	-6.4
Second Quintile	7.7	1.8	0.1	15.4	-63	-1.7	0.0	2.5	-0.1	6.3
Middle Quintile	11.4	0.2	0.1	25.0	-104	-0.7	0.0	9.5	-0.1	13.4
Fourth Quintile	12.3	*	0.1	26.6	-117	-0.4	0.0	18.3	-0.1	16.8
Top Quintile	7.0	6.8	0.0	6.2	-32	0.0	0.2	70.8	0.0	25.9
All	10.2	1.6	0.1	100.0	-84	-0.3	0.0	100.0	-0.1	19.6
Addendum										
80-90	11.1	2.6	0.0	9.4	-96	-0.2	0.0	14.1	0.0	19.7
90-95	5.4	11.0	0.0	-0.2	4	0.0	0.0	10.9	0.0	21.4
95-99	0.1	12.3	0.0	-2.4	70	0.1	0.1	14.5	0.0	24.9
Top 1 Percent	0.0	7.3	0.0	-0.5	52	0.0	0.1	31.4	0.0	33.8
Top 0.1 Percent	0.0	4.4	0.0	0.0	34	0.0	0.0	14.0	0.0	35.6

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	12,789	22.9	25,479	3.7	-1,541	-1.1	27,020	4.9	-6.1	
Second Quintile	11,553	20.7	58,696	7.7	3,746	2.5	54,950	9.0	6.4	
Middle Quintile	11,267	20.2	108,201	13.9	14,584	9.5	93,617	14.9	13.5	
Fourth Quintile	10,713	19.2	175,120	21.3	29,577	18.4	145,543	22.1	16.9	
Top Quintile	9,078	16.3	518,095	53.5	134,245	70.6	383,850	49.3	25.9	
All	55,806	100.0	157,550	100.0	30,936	100.0	126,614	100.0	19.6	
Addendum										
80-90	4,587	8.2	267,623	14.0	52,932	14.1	214,691	13.9	19.8	
90-95	2,399	4.3	364,152	9.9	77,843	10.8	286,309	9.7	21.4	
95-99	1,642	2.9	611,124	11.4	151,936	14.5	459,188	10.7	24.9	
Top 1 Percent	450	0.8	3,549,764	18.2	1,198,293	31.3	2,351,471	15.0	33.8	
Top 0.1 Percent	43	0.1	15,739,036	7.7	5,594,873	13.9	10,144,163	6.2	35.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

* Less than 0.05

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

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

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Table T14-0083
Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
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	3.7	0	-0.1	0.0	0.1	0.0	0.9
Second Quintile	0.1	0.0	0.0	15.0	0	0.0	0.0	1.2	0.0	2.8
Middle Quintile	0.1	*	0.0	39.3	-1	0.0	0.0	6.4	0.0	8.0
Fourth Quintile	0.1	0.0	0.0	24.4	-1	0.0	0.0	14.1	0.0	13.4
Top Quintile	0.1	*	0.0	17.7	0	0.0	0.0	78.2	0.0	24.2
All	0.1	*	0.0	100.0	0	0.0	0.0	100.0	0.0	17.8
Addendum										
80-90	0.1	0.0	0.0	14.5	-1	0.0	0.0	12.9	0.0	16.6
90-95	0.1	*	0.0	6.9	-1	0.0	0.0	10.3	0.0	19.0
95-99	0.0	*	0.0	-1.4	0	0.0	0.0	17.0	0.0	22.6
Top 1 Percent	0.0	0.2	0.0	-2.3	1	0.0	0.0	38.0	0.0	32.6
Top 0.1 Percent	0.0	0.1	0.0	-0.2	1	0.0	0.0	18.0	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	5,822	13.3	17,239	2.0	149	0.1	17,090	2.4	0.9	
Second Quintile	10,425	23.7	36,828	7.5	1,037	1.2	35,791	8.9	2.8	
Middle Quintile	10,781	24.5	67,751	14.2	5,413	6.4	62,338	15.9	8.0	
Fourth Quintile	8,405	19.1	114,209	18.7	15,244	14.1	98,965	19.7	13.4	
Top Quintile	8,262	18.8	357,316	57.6	86,277	78.1	271,039	53.1	24.2	
All	43,929	100.0	116,739	100.0	20,764	100.0	95,974	100.0	17.8	
Addendum										
80-90	4,122	9.4	171,837	13.8	28,572	12.9	143,265	14.0	16.6	
90-95	2,025	4.6	243,669	9.6	46,233	10.3	197,437	9.5	19.0	
95-99	1,704	3.9	403,586	13.4	91,007	17.0	312,579	12.6	22.6	
Top 1 Percent	410	0.9	2,589,015	20.7	843,868	38.0	1,745,147	17.0	32.6	
Top 0.1 Percent	42	0.1	11,325,008	9.2	3,935,047	18.0	7,389,962	7.3	34.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

* Less than 0.05

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

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