

Table T14-0085
 Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"
 Number of Beneficiaries and Amount of Benefit Compared to Current Law, 2023 ¹

Expanded Cash Income Class (thousands of 2013 dollars) ^{2,3}	Current Law						Proposal						Change Due to Proposal					
	Beneficiaries		Value of Tax Credits		Average Value (\$)	Beneficiaries		Value of Tax Credits		Average Value (\$)	Beneficiaries		Value of Tax Credits		Average Value			
	Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percentage	Amount (\$ millions)	Percentage	Dollars	Percentage		
Less than 10	0	0.0	0.0	0.0	n/a	128	1.4	132.1	1.3	1,034	128	6.3	132.1	n/a	n/a	n/a		
10-20	0	0.0	0.0	0.0	n/a	786	8.5	685.6	7.0	872	786	38.8	685.6	n/1	n/a	n/a		
20-30	98	1.4	39.4	0.9	402	1,014	11.0	823.5	8.4	812	916	45.1	784.1	1988.2	410	101.9		
30-40	291	4.0	146.7	3.3	504	595	6.4	563.3	5.7	947	304	15.0	416.6	283.9	443	88.0		
40-50	273	3.8	152.9	3.4	560	482	5.2	505.1	5.1	1,049	209	10.3	352.2	230.3	489	87.3		
50-75	808	11.2	484.4	10.9	600	1,169	12.7	1,295.3	13.1	1,108	362	17.8	810.9	167.4	508	84.7		
75-100	821	11.4	504.3	11.4	614	883	9.6	1,105.4	11.2	1,252	62	3.0	601.1	119.2	638	103.8		
100-200	2,998	41.6	1,900.6	42.8	634	2,963	32.1	3,490.7	35.4	1,178	-35	-1.7	1,590.1	83.7	544	85.8		
200-500	1,757	24.4	1,112.9	25.1	633	1,184	12.8	1,229.0	12.5	1,038	-574	-28.3	116.1	10.4	405	64.0		
500-1,000 ⁴	116	1.6	69.5	1.6	598	0	0.0	0.0	0.0	550	-116	-5.7	-69.4	-99.9	-48	-8.1		
More than 1,000 ⁴	38	0.5	27.3	0.6	721	0	0.0	0.0	0.0	1,507	-38	-1.9	-27.3	-99.9	787	109.2		
All	7,201	100.0	4,438.1	100.0	616	9,229	100.0	9,854.9	100.0	1,068	2,029	100.0	5,416.8	122.1	451	73.2		

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

(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) Tax units with negative current law adjusted gross income are excluded from the lowest 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) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) In both the baseline and proposal, there are fewer than 1,000 beneficiaries with expanded cash income of \$500,000 or more.