

**Table T03-0156**  
**Impact of Increasing the Child Tax Credit's Refundability**  
**On a Married Couple with Two Children under 17**

AGI (2002 dollars)	Income tax before credits	Child credit w/ 10% refundability rate	Income tax after child credit with 10% rate	Child credit w/ 15% refundability rate	Income tax after child credit with 15% rate	Earned income tax credit (EITC)	Increase in child credit in going from 10% to 15% rate
0	0	0	0	0	0	0	0
1,000	0	0	0	0	0	400	0
2,000	0	0	0	0	0	800	0
3,000	0	0	0	0	0	1,200	0
4,000	0	0	0	0	0	1,600	0
5,000	0	0	0	0	0	2,000	0
6,000	0	0	0	0	0	2,400	0
7,000	0	0	0	0	0	2,800	0
8,000	0	0	0	0	0	3,200	0
9,000	0	0	0	0	0	3,600	0
10,000	0	0	0	0	0	4,000	0
11,000	0	50	(50)	75	(75)	4,216	<b>25</b>
12,000	0	150	(150)	225	(225)	4,216	<b>75</b>
13,000	0	250	(250)	375	(375)	4,216	<b>125</b>
14,000	0	350	(350)	525	(525)	4,216	<b>175</b>
15,000	0	450	(450)	675	(675)	4,165	<b>225</b>
16,000	0	550	(550)	825	(825)	3,955	<b>275</b>
17,000	0	650	(650)	975	(975)	3,744	<b>325</b>
18,000	0	750	(750)	1,125	(1,125)	3,534	<b>375</b>
<b>18390**</b>	<b>0</b>	<b>789</b>	<b>(789)</b>	<b>1,184</b>	<b>(1,184)</b>	<b>3,452</b>	<b>395</b>
19,000	0	850	(850)	1,275	(1,275)	3,323	<b>425</b>
20,000	0	950	(950)	1,425	(1,425)	3,112	<b>475</b>
21,000	0	1,050	(1,050)	1,575	(1,575)	2,902	<b>525</b>
22,000	30	1,180	(1,150)	1,755	(1,725)	2,691	<b>575</b>
23,000	130	1,380	(1,250)	2,000	(1,870)	2,481	<b>620</b>
24,000	230	1,580	(1,350)	2,000	(1,770)	2,270	<b>420</b>
25,000	330	1,780	(1,450)	2,000	(1,670)	2,059	<b>220</b>
26,000	430	1,980	(1,550)	2,000	(1,570)	1,849	<b>20</b>
27,000	530	2,000	(1,470)	2,000	(1,470)	1,638	0
28,000	630	2,000	(1,370)	2,000	(1,370)	1,428	0
29,000	730	2,000	(1,270)	2,000	(1,270)	1,217	0
30,000	830	2,000	(1,170)	2,000	(1,170)	1,006	0

Source: Urban-Brookings Tax Policy Center calculations

\* Technically, one should multiply AGI by 1.0765 to account for the wage effect of the employer's share of Social Security taxes.

employer's share to the actual payroll tax levied on employees.

\*\*Poverty Level

- (1) Calendar year. Baseline is current law which includes the Jobs and Growth Tax Relief Reconciliation Act of 2001
- (2) All income assumed from earnings
- (3) Children are assumed to qualify for EITC and child credit

**lity Rate from 10% to 15%**  
**7 in 2003 by Income**

<b>Payroll taxes @ 15.3% (employee plus employer)*</b>	<b>Income tax plus social security tax minus EITC and child credit w/ 15% rate</b>	<b>Average marginal tax rate</b>	<b>Marginal tax rate</b>
0	0	0.00%	0.00%
153	(247)	-24.70%	-24.70%
306	(494)	-24.70%	-24.70%
459	(741)	-24.70%	-24.70%
612	(988)	-24.70%	-24.70%
765	(1,235)	-24.70%	-24.70%
918	(1,482)	-24.70%	-24.70%
1,071	(1,729)	-24.70%	-24.70%
1,224	(1,976)	-24.70%	-24.70%
1,377	(2,223)	-24.70%	-24.70%
1,530	(2,470)	-24.70%	-24.70%
1,683	(2,608)	-23.71%	0.30%
1,836	(2,605)	-21.71%	0.30%
1,989	(2,602)	-20.02%	0.30%
2,142	(2,599)	-18.56%	0.30%
2,295	(2,545)	-16.97%	21.36%
2,448	(2,332)	-14.57%	21.36%
2,601	(2,118)	-12.46%	21.36%
2,754	(1,905)	-10.58%	21.36%
<b>2,814</b>	<b>(1,821)</b>	<b>-9.90%</b>	<b>21.36%</b>
2,907	(1,691)	-8.90%	21.36%
3,060	(1,477)	-7.39%	21.36%
3,213	(1,264)	-6.02%	21.36%
3,366	(1,050)	-4.77%	21.36%
3,519	(832)	-3.62%	46.36%
3,672	(368)	-1.53%	46.36%
3,825	96	0.38%	46.36%
3,978	559	2.15%	46.36%
4,131	1,023	3.79%	46.36%
4,284	1,486	5.31%	46.36%
4,437	1,950	6.72%	46.36%
4,590	2,414	8.05%	46.36%

of payroll taxes; instead, here, we attribute the whole amount of the

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