

TABLE D03-0005
Value of Child Tax Credit Under Current Law and Five Options

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Current Dollars</u>										
Current Law	\$600	\$600	\$700	\$700	\$700	\$700	\$800	\$1,000	\$500	\$500
Options 1 and 2 ¹	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Options 3 and 4 ²	\$1,000	\$1,020	\$1,050	\$1,080	\$1,100	\$1,130	\$1,160	\$1,190	\$1,220	\$1,250
Option 5 ³	\$600	\$600	\$700	\$700	\$700	\$700	\$800	\$1,000	\$1,020	\$1,050
<u>Constant 2003 Dollars</u>										
Current Law	\$600	\$585	\$666	\$650	\$634	\$619	\$690	\$841	\$410	\$400
Options 1 and 2	\$1,000	\$975	\$952	\$928	\$906	\$884	\$862	\$841	\$820	\$800
Options 3 and 4	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Option 5	\$600	\$585	\$666	\$650	\$634	\$619	\$690	\$841	\$841	\$841

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Option 1 is the Administration's proposal. The \$1,000 per child amount currently scheduled to take effect in 2010 would take effect in 2003; the 15-percent refundability rate currently scheduled for 2005 would take effect in 2003. All options would be permanent and the provision allowing the child tax credit regardless of AMT liability would also be made permanent.

(2) The \$1,000 per child amount would be indexed for inflation after 2003, the thresholds for the phaseout would not be indexed.

(3) The \$1,000 per child amount would be indexed for inflation after 2010, the thresholds for the phaseout would not be indexed.