

Table T04-0082
H.R. 4359, Extension and Expansion of Child Tax Credit:
Distribution of Tax Change by Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³		Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵		
	Number (thousands)	Percent of Total				Percent with Tax Cut	Current Law	Proposal
Less than 10	20,301	14.0	0.1	*	*	**	3.4	3.3
10-20	26,357	18.1	4.2	0.1	1.7	-11	5.5	5.4
20-30	20,537	14.1	19.5	0.3	8.5	-69	11.2	10.9
30-40	15,633	10.8	20.9	0.3	8.5	-91	15.4	15.1
40-50	11,543	7.9	25.8	0.3	8.2	-119	17.5	17.2
50-75	20,112	13.8	31.3	0.3	18.0	-150	19.5	19.2
75-100	11,773	8.1	38.2	0.3	13.6	-193	21.2	21.0
100-200	14,039	9.7	40.1	0.4	32.5	-388	23.5	23.3
200-500	3,588	2.5	27.1	0.2	9.0	-419	26.4	26.3
500-1,000	593	0.4	2.3	*	0.1	-26	27.8	27.8
More than 1,000	284	0.2	0.7	*	*	-6	31.2	31.2
All	145,321	100.0	19.8	0.2	100.0	-115	21.3	21.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. Baseline is current law. Provisions include: increase child tax credit amount to \$1,000; increase phaseout threshold for child credit to \$125,000 (\$250,000 for married couples filing a joint return).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of 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) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.