

Table T04-0080
H.R. 4359, Extension and Expansion of Child Tax Credit:
Distribution of Tax Change by Cash Income Class, 2004¹

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	20,428	14.2	0.2	*	0.1	**	3.4	3.4
10-20	26,467	18.4	14.3	0.2	10.2	-24	5.3	5.2
20-30	20,379	14.2	10.8	0.2	13.6	-41	10.8	10.6
30-40	15,377	10.7	3.1	0.1	3.9	-16	14.7	14.6
40-50	11,446	8.0	1.0	*	0.8	-5	16.7	16.7
50-75	20,054	14.0	0.3	*	0.4	-1	18.6	18.6
75-100	11,395	7.9	1.5	*	1.1	-6	20.2	20.1
100-200	13,281	9.3	23.1	0.2	47.0	-220	22.3	22.1
200-500	3,339	2.3	27.6	0.2	22.6	-421	25.1	25.0
500-1,000	527	0.4	1.7	*	0.2	-21	26.8	26.8
More than 1,000	257	0.2	0.6	*	*	-6	29.9	29.9
All	143,509	100.0	7.6	0.1	100.0	-43	20.1	20.0

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 refundability rate for additional child tax credit to 15-percent; 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

(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.