

Table T05-0163
Table 2. Revenue Effects of 6 Child Tax Credit Reform Options by Fiscal Year, 2006-15¹

Option ³		<i>Current Law</i>										Totals	
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
1	Refundability threshold at \$5,000 and no indexing	-1.1	-5.5	-5.6	-5.6	-5.6	-5.8	-6.4	-6.3	-6.3	-6.3	-23.4	-54.5
2	Refundability threshold at \$7,500 and no indexing	-0.7	-3.3	-3.4	-3.5	-3.6	-4.1	-5.5	-5.5	-5.5	-5.5	-14.6	-40.7
3	Refundability threshold at \$10,000 and no indexing	-0.2	-1.1	-1.3	-1.4	-1.6	-2.3	-4.5	-4.5	-4.6	-4.6	-5.6	-26.1
4	Same as #1, but minimum credit is \$100	-1.2	-6.1	-6.1	-6.1	-6.2	-6.3	-6.5	-6.5	-6.5	-6.4	-25.7	-57.9
5	Same as #2, but minimum credit is \$100	-0.8	-3.9	-4.0	-4.1	-4.2	-4.5	-5.7	-5.7	-5.7	-5.7	-16.9	-44.4
6	Same as #3, but minimum credit is \$100	-0.3	-1.7	-1.8	-2.0	-2.1	-2.7	-4.7	-4.8	-4.8	-4.9	-7.9	-29.9
Totals													
Option ³		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
1	Refundability threshold at \$5,000 and no indexing	-1.1	-5.5	-5.6	-5.6	-5.7	-5.7	-5.8	-5.8	-5.9	-6.0	-23.4	-52.7
2	Refundability threshold at \$7,500 and no indexing	-0.7	-3.3	-3.4	-3.5	-3.6	-3.8	-3.9	-4.0	-4.1	-4.2	-14.6	-34.6
3	Refundability threshold at \$10,000 and no indexing	-0.2	-1.1	-1.3	-1.4	-1.6	-1.8	-1.9	-2.1	-2.3	-2.4	-5.6	-16.1
4	Same as #1, but minimum credit is \$100	-1.2	-6.1	-6.1	-6.1	-6.2	-6.2	-6.3	-6.3	-6.4	-6.4	-25.7	-57.2
5	Same as #2, but minimum credit is \$100	-0.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.4	-4.5	-4.6	-4.7	-16.9	-39.3
6	Same as #3, but minimum credit is \$100	-0.3	-1.7	-1.8	-2.0	-2.1	-2.3	-2.4	-2.6	-2.7	-2.9	-7.9	-20.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3a).

(1) Fiscal years. Figures are in billions of nominal dollars. Fiscal-year estimates assume a 20-80 split. The actual effect on receipts could differ.

(2) Extended baseline is current law plus the Administration's FY2006 Budget Proposal to extend provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the limitation on itemized deductions (Pease); the personal exemption phaseout (PEP); the standard deduction, 15-percent bracket, and EITC for married couples; pension and IRA provisions; estate tax repeal; 15 percent tax rate on qualified dividends and capital gains (0 percent for lower-income taxpayers); student loan interest deduction.

(3) All options are assumed to take effect starting in 2006 and extend through the 10-year window to 2015. All dollar figures specified in option descriptions assumed to be in 2005 levels.