

**Table T05-0209. Option 4: Fully Refundable Child and Dependent Care Tax Credit
Number of Returns and Amount Reported Under Proposal and Pre-EGTRRA Law, 2005 ¹**

Cash Income Class (thousands of 2005 dollars) ^{2,3}	Pre-EGTRRA Law					Option 4 Proposal: Fully Refundable CDCTC					Change Due to EGTRRA					
	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit	
	Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percentage	Amount (\$ millions)	Percentage	Dollars	Percentage
Less than 10	0	0.0	0.0	0.0	N/A	544	6.9	383.1	7.7	704	544	N/A	383.1	N/A	N/A	N/A
10-20	158	2.6	45.7	1.8	290	955	12.1	870.1	17.5	911	797	505.1	824.4	1802.6	621	214.4
20-30	673	11.2	294.3	11.5	437	809	10.3	622.1	12.5	769	136	20.2	327.8	111.4	332	75.9
30-40	842	14.0	367.3	14.3	436	861	10.9	571.7	11.5	664	19	2.3	204.4	55.6	227	52.1
40-50	562	9.4	249.6	9.7	444	578	7.3	328.0	6.6	568	16	2.8	78.4	31.4	123	27.8
50-75	1,430	23.9	620.4	24.2	434	1,472	18.7	784.0	15.8	533	42	2.9	163.6	26.4	99	22.8
75-100	1,025	17.1	434.5	16.9	424	1,066	13.5	541.0	10.9	507	41	4.0	106.5	24.5	84	19.7
100-200	1,115	18.6	472.2	18.4	424	1,314	16.7	700.9	14.1	533	200	17.9	228.7	48.4	110	25.9
200-500	160	2.7	67.8	2.6	424	251	3.2	133.6	2.7	532	91	56.9	65.8	97.0	108	25.6
500-1,000	23	0.4	10.7	0.4	465	25	0.3	13.3	0.3	536	2	8.1	2.6	24.5	71	15.2
More than 1,000	8	0.1	4.9	0.2	595	9	0.1	6.3	0.1	717	1	6.4	1.4	28.3	122	20.6
All	5,995	100.0	2,567.4	100.0	428	7,889	100.0	4,958.8	100.0	629	1,894	31.6	2,391.4	93.1	200	46.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-2).

(1) Calendar year. EGTRRA makes the following changes to the CDCTC: increase the maximum credit rate from 30 to 35 percent; increase allowable expenses from \$2,400 to \$3,000 for one eligible individual and to \$6,000 from \$4,800 for two or more eligible individuals; increase the start of the phasedown of the credit rate from \$10,000 to \$15,000 of AGI. Option 4 makes the CDCTC fully refundable. Option 4 also indexes the CDCTC for inflation but not until 01/01/06.

(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.