

**Table T05-0244. Option 2: Increase Point at Which EITC is Phased Out by 10 Percent
Number of Returns and Amount Reported Compared to Current Law, 2005 ¹**

Cash Income Class (thousands of 2005 dollars) ^{2,3}	Current Law					Proposal					Change Due to Proposal					
	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	5,176	23.7	6,002.2	14.3	1,160	5,179	21.7	6,019.4	13.3	1,162	3	0.1	17.2	0.3	3	0.2
10-20	6,912	31.6	19,216.3	45.9	2,780	7,346	30.8	19,394.6	42.8	2,640	434	6.3	178.3	0.9	-140	-5.0
20-30	5,734	26.2	12,504.6	29.8	2,181	5,758	24.2	13,630.1	30.1	2,367	24	0.4	1,125.5	9.0	186	8.5
30-40	3,422	15.7	3,517.1	8.4	1,028	4,221	17.7	5,141.6	11.4	1,218	799	23.4	1,624.5	46.2	190	18.5
40-50	422	1.9	423.0	1.0	1,002	1,083	4.5	800.3	1.8	739	661	156.6	377.3	89.2	-263	-26.3
50-75	97	0.4	131.7	0.3	1,361	147	0.6	179.7	0.4	1,223	50	51.8	48.0	36.4	-138	-10.1
75-100	13	0.1	10.8	0.0	829	14	0.1	16.3	0.0	1,151	1	9.3	5.6	51.6	321	38.7
100-200	4	0.0	3.9	0.0	1,092	4	0.0	4.3	0.0	1,105	0	10.2	0.4	11.5	13	1.2
200-500	4	0.0	8.3	0.0	2,220	4	0.0	8.8	0.0	2,350	0	0.0	0.5	5.8	129	5.8
500-1,000	0	0.0	0.0	0.0	4,769	0	0.0	0.0	0.0	4,769	0	0.0	0.0	0.0	0	0.0
More than 1,000	0	0.0	0.0	0.0	2,100	0	0.0	0.0	0.0	2,434	0	0.0	0.0	15.9	334	15.9
All	21,850	100.0	41,908.2	100.0	1,918	23,826	100.0	45,289.2	100.0	1,901	1,976	9.0	3,381.0	8.1	-17	-0.9

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

(1) Calendar year. Proposal reduces the EITC phasedown rates to ensure the credit is completely phased out at an income level that is 10 percent higher than under current law. For married couples filing a joint return, the rates would be 6.05, 13.34, and 17.87 percent for 0 children, 1 child, and 2 or more children, respectively. For other filing statuses, the rates would be 6.24 percent, 13.47 percent, and 18.02 percent.

(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.