

Table T05-0250. Option 4: Create Third Tier of EITC for Those with Three or More Children
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	5,176	23.3	6,143.5	13.7	1,187	0	0.0	141.3	2.4	27	2.4
10-20	6,912	31.6	19,216.3	45.9	2,780	6,912	31.1	19,912.9	44.5	2,881	0	0.0	696.5	3.6	101	3.6
20-30	5,734	26.2	12,504.6	29.8	2,181	5,737	25.8	13,397.4	29.9	2,335	3	0.0	892.8	7.1	155	7.1
30-40	3,422	15.7	3,517.1	8.4	1,028	3,468	15.6	4,323.8	9.7	1,247	47	1.4	806.7	22.9	219	21.3
40-50	422	1.9	423.0	1.0	1,002	728	3.3	686.4	1.5	943	306	72.4	263.4	62.3	-59	-5.9
50-75	97	0.4	131.7	0.3	1,361	122	0.5	175.8	0.4	1,440	25	26.2	44.1	33.5	79	5.8
75-100	13	0.1	10.8	0.0	829	13	0.1	12.0	0.0	923	0	0.0	1.2	11.3	94	11.3
100-200	4	0.0	3.9	0.0	1,092	4	0.0	4.1	0.0	1,093	0	4.9	0.2	5.0	1	0.1
200-500	4	0.0	8.3	0.0	2,220	4	0.0	9.2	0.0	2,449	0	0.0	0.9	10.3	229	10.3
500-1,000	0	0.0	0.0	0.0	4,769	0	0.0	0.0	0.0	1,731	0	266.7	0.0	33.1	-3,038	-63.7
More than 1,000	0	0.0	0.0	0.0	2,100	0	0.0	0.0	0.0	2,100	0	0.0	0.0	0.0	0	0.0
All	21,850	100.0	41,908.2	100.0	1,918	22,232	100.0	44,761.2	100.0	2,013	381	1.7	2,853.1	6.8	95	5.0

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

(1) Calendar year. Under the proposal, the phase-in rate for three or more children would be 50 percent; the other parameters would be the same as for 2 or more children under current law.

(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.