

**Table T05-0253. CTC Option 1: Make EGTRRA Provisions Permanent
Distribution of Federal Tax Change by Cash Income Percentile, 2015¹**

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	6.1	0.0	0.2	2.3	-23	-4.3	0.0	0.5	-0.2	4.5
Second Quintile	23.4	0.0	0.8	19.3	-194	-6.0	-0.2	2.9	-0.7	10.6
Middle Quintile	25.8	0.0	0.6	25.2	-253	-2.9	-0.2	8.0	-0.5	17.1
Fourth Quintile	27.8	0.0	0.6	36.7	-369	-1.9	-0.2	17.6	-0.4	21.8
Top Quintile	13.3	0.0	0.1	16.3	-164	-0.2	0.5	70.9	-0.1	28.3
All	19.3	0.0	0.3	100.0	-201	-0.9	0.0	100.0	-0.2	24.1
Addendum										
Top 10 Percent	2.2	0.0	0.0	0.9	-18	0.0	0.5	54.7	0.0	29.6
Top 5 Percent	0.6	0.0	0.0	0.2	-6	0.0	0.4	42.2	0.0	30.4
Top 1 Percent	0.4	0.0	0.0	0.0	-4	0.0	0.2	24.1	0.0	31.9
Top 0.5 Percent	0.3	0.0	0.0	0.0	-4	0.0	0.2	19.4	0.0	32.6
Top 0.1 Percent	0.1	0.0	0.0	0.0	-1	0.0	0.1	11.5	0.0	34.1

**Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2015¹**

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	32,037	19.6	11,594	549	11,045	4.7	2.6	3.2	0.5
Second Quintile	32,634	20.0	28,979	3,266	25,713	11.3	6.5	7.7	3.0
Middle Quintile	32,634	20.0	50,115	8,825	41,291	17.6	11.3	12.3	8.2
Fourth Quintile	32,628	20.0	86,642	19,215	67,426	22.2	19.6	20.1	17.8
Top Quintile	32,633	20.0	267,246	75,892	191,354	28.4	60.3	57.1	70.3
All	163,160	100.0	88,578	21,580	66,998	24.4	100.0	100.0	100.0
Addendum									
Top 10 Percent	16,316	10.0	395,730	116,979	278,751	29.6	44.7	41.6	54.2
Top 5 Percent	8,162	5.0	592,468	180,155	412,313	30.4	33.5	30.8	41.8
Top 1 Percent	1,632	1.0	1,618,465	515,604	1,102,861	31.9	18.3	16.5	23.9
Top 0.5 Percent	816	0.5	2,538,582	827,974	1,710,608	32.6	14.3	12.8	19.2
Top 0.1 Percent	163	0.1	7,244,911	2,466,745	4,778,166	34.1	8.2	7.1	11.4

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

(1) Calendar year. Baseline is current law. Provisions include: allow CTC regardless of tentative AMT; increase maximum amount per child to \$1,000 from \$500; allow credit to be refundable a rate of 15% of earned income in excess of \$10,000, indexed for inflation after 2001.

(2) Tax units with negative cash income are excluded from the lowest quintile 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 estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.