Table T17-0203

Young Child Tax Credit Options[1]

Change in Individual Income Tax Revenue, 2017-2026 ($ billions)[2]

Baseline: Current Law

	Fiscal Year[3]										
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2017-2026**
Tax Benefit of Current-Law CTC	57.0	56.6	56.3	56.2	55.7	55.3	54.8	54.3	53.8	53.2	553.1
Option 1: New $1,000 Young Child Tax Credit (YCTC) for Children < 5 With $0 Earnings Threshold[a]	-1.8	-18.4	-18.3	-18.1	-17.9	-17.7	-17.5	-17.3	-16.9	-16.6	-160.6
Option 2: New $1,000 Young Child Tax Credit (YCTC) for Children < 5[b]	-1.8	-18.1	-18.0	-17.9	-17.6	-17.4	-17.3	-17.0	-16.7	-16.4	-158.2
Option 3: New $1,500 Young Child Tax Credit (YCTC) for Children < 5 With $0 Earnings Threshold[c]	-2.8	-28.0	-27.8	-27.6	-27.3	-27.0	-26.8	-26.5	-26.0	-25.5	-245.3
Option 4: New $1,000 Young Child Tax Credit (YCTC) for Children < 3 With $0 Earnings Threshold[d]	-1.1	-11.2	-11.1	-11.0	-10.9	-10.8	-10.6	-10.5	-10.3	-10.1	-97.6
Addendum: Increase the Child Tax Credit (CTC) to $1,330 for all children [e]	-1.7	-17.3	-17.3	-17.5	-17.5	-17.5	-17.5	-17.5	-17.4	-17.3	-158.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1)

(1) Analysis of these options can be found in Maag and Isaacs, 2017.

(2) Fiscal years. Baseline is current law. Effective 01/01/2017.

Note: Revenue estimates include the effects of microdynamic responses. Estimates assume a fiscal split of 10-90 (fiscal year revenue is estimated to be 90 percent of revenue from the previous calendar year and 10 percent of revenue from the current calendar year).

(3) The participation rates for workers with no children are increased from 65% to 91% for single and from 73% to 79% for married units.

(a) Option 1 creates an additional $1,000 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.

(b) Option 2 creates an additional $1,000 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at $3,000 of earnings.

(c) Option 3 creates an additional $1,500 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.

(d) Option 4 creates an additional $1,000 credit (YCTC) for families with children under the age of 3. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.

(e) Addendum increases the maximum child tax credit (CTC) for all eligible children to $1,330.

Table T17-0203
Young Child Tax Credit Options[1]
Change in Individual Income Tax Revenue, 2017-2026 ($ billions)[2]
Baseline: Current Law

	Calendar Year										
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2017-2026**
Tax Benefit of Current-Law CTC	56.6	56.4	56.2	55.8	55.3	54.8	54.3	53.8	53.2	52.7	549.2
Option 1: New $1,000 Young Child Tax Credit (YCTC) for Children < 5 With $0 Earnings Threshold[a]	-18.4	-18.3	-18.2	-17.9	-17.7	-17.5	-17.3	-17.0	-16.6	-16.4	-175.3
Option 2: New $1,000 Young Child Tax Credit (YCTC) for Children < 5[b]	-18.1	-18.0	-17.9	-17.7	-17.5	-17.3	-17.1	-16.7	-16.4	-16.1	-172.8
Option 3: New $1,500 Young Child Tax Credit (YCTC) for Children < 5 With $0 Earnings Threshold[c]	-28.0	-27.9	-27.6	-27.3	-27.1	-26.8	-26.5	-26.0	-25.6	-25.2	-268.0
Option 4: New $1,000 Young Child Tax Credit (YCTC) for Children < 3 With $0 Earnings Threshold[d]	-11.2	-11.1	-11.1	-10.9	-10.8	-10.7	-10.5	-10.3	-10.1	-9.9	-106.5
Addendum: Increase the Child Tax Credit (CTC) to $1,330 for all children [e]	-17.3	-17.3	-17.5	-17.5	-17.5	-17.5	-17.5	-17.4	-17.4	-17.3	-174.1

(1) Analysis of these options can be found in Maag and Isaacs, 2017.
(2) Calendar years. Baseline is current law. Effective 01/01/2017.
(a) Option 1 creates an additional $1,000 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.
(b) Option 2 creates an additional $1,000 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at $3,000 of earnings.
(c) Option 3 creates an additional $1,500 credit (YCTC) for families with children under the age of 5. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.
(d) Option 4 creates an additional $1,000 credit (YCTC) for families with children under the age of 3. The credit would phase-in at a rate of 50 percent starting at the first dollar of earnings.
(e) Addendum increases the maximum child tax credit (CTC) for all eligible children to $1,330.