

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T19-0005
Expand the Child Tax Credit (CTC) and Replace the Earned Income Tax Credit (EITC) with Economic Security Project's
Cost-of-Living Refund (CLR) Proposal
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2019 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut		With Tax Increase					Change (%) Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)					
Lowest Quintile	57.1	-4,030	1.0	990	16.0	32.6	-2,290	-15.6	-12.6
Second Quintile	69.2	-3,950	0.8	840	7.8	32.3	-2,730	-7.2	0.4
Middle Quintile	50.5	-4,110	0.2	470	3.5	22.5	-2,080	-3.1	9.3
Fourth Quintile	40.8	-2,850	0.2	420	1.2	10.6	-1,160	-1.0	14.7
Top Quintile	23.3	-1,920	16.9	1,540	0.1	1.4	-190	-0.1	23.3
All	50.7	-3,730	2.9	1,420	2.3	100.0	-1,850	-1.9	16.3
Addendum									
80-90	37.2	-2,040	4.6	640	0.5	2.9	-730	-0.4	18.3
90-95	16.7	-1,380	30.3	1,020	0.0	-0.2	80	0.0	20.2
95-99	0.3	-1,460	37.0	2,400	-0.2	-1.3	880	0.2	22.8
Top 1 Percent	*	**	0.2	2,350	0.0	0.0	10	0.0	30.2
Top 0.1 Percent	0.0	0	*	**	0.0	0.0	*	0.0	31.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

Number of AMT Taxpayers (millions). Baseline: 0.2

Proposal: 0.2

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out rateably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019.

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2018 dollars): 20% \$25,900; 40% \$51,300; 60% \$91,000; 80% \$162,700; 90% \$237,100; 95% \$339,200; 99% \$820,300; 99.9% \$3,812,200.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2019 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	57.1	1.0	16.0	32.6	-2,290	-520.0	-3.7	-3.0	-15.6	-12.6
Second Quintile	69.2	0.8	7.8	32.3	-2,730	-94.8	-3.3	0.2	-7.2	0.4
Middle Quintile	50.5	0.2	3.5	22.5	-2,080	-24.7	-1.5	7.9	-3.1	9.3
Fourth Quintile	40.8	0.2	1.2	10.6	-1,160	-6.2	0.8	18.5	-1.0	14.7
Top Quintile	23.3	16.9	0.1	1.4	-190	-0.2	7.7	76.2	-0.1	23.3
All	50.7	2.9	2.3	100.0	-1,850	-10.4	0.0	100.0	-1.9	16.3
Addendum										
80-90	37.2	4.6	0.5	2.9	-730	-2.0	1.4	16.1	-0.4	18.3
90-95	16.7	30.3	0.0	-0.2	80	0.1	1.3	12.2	0.0	20.2
95-99	0.3	37.0	-0.2	-1.3	880	0.8	2.0	18.1	0.2	22.8
Top 1 Percent	*	0.2	0.0	0.0	10	0.0	3.1	29.8	0.0	30.2
Top 0.1 Percent	0.0	*	0.0	0.0	*	0.0	1.6	15.4	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	45,570	26.3	14,700	3.9	440	0.7	14,260	4.7	3.0	
Second Quintile	37,950	21.9	37,740	8.4	2,880	3.5	34,860	9.5	7.6	
Middle Quintile	34,730	20.1	68,140	13.9	8,420	9.4	59,730	14.9	12.4	
Fourth Quintile	29,200	16.9	119,310	20.5	18,720	17.7	100,590	21.1	15.7	
Top Quintile	24,460	14.1	370,360	53.3	86,640	68.5	283,710	49.9	23.4	
All	#####	#####	98,270	100.0	17,880	100.0	80,390	100.0	18.2	
Addendum										
80-90	12,600	7.3	193,660	14.3	36,220	14.7	157,440	14.3	18.7	
90-95	6,090	3.5	276,550	9.9	55,750	11.0	220,800	9.7	20.2	
95-99	4,650	2.7	474,520	13.0	107,310	16.1	367,210	12.3	22.6	
Top 1 Percent	1,140	0.7	2,405,950	16.1	726,650	26.7	1,679,300	13.7	30.2	
Top 0.1 Percent	120	0.1	#####	8.0	3,699,220	13.8	8,114,960	6.7	31.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out rateably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019.

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2017 dollars): 20% \$25,900; 40% \$51,300; 60% \$91,000; 80% \$162,700; 90% \$237,100; 95% \$339,200; 99% \$820,300; 99.9% \$3,812,200.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	61.3	1.5	18.7	30.5	-2,590	3,162.3	-3.5	-3.6	-18.8	-19.4
Second Quintile	66.8	0.6	9.2	32.1	-2,930	-147.6	-3.5	-1.2	-8.7	-2.8
Middle Quintile	69.1	0.1	4.7	27.4	-2,500	-36.6	-2.3	5.5	-4.2	7.2
Fourth Quintile	38.9	0.1	1.0	9.5	-920	-5.8	0.9	18.0	-0.9	14.4
Top Quintile	11.9	13.5	0.0	-0.1	20	0.0	8.4	81.2	0.0	23.1
All	50.7	2.9	2.3	100.0	-1,850	-10.4	0.0	100.0	-1.9	16.3
Addendum										
80-90	22.3	6.6	0.2	1.5	-310	-1.0	1.6	17.1	-0.2	18.3
90-95	2.1	26.5	-0.2	-1.0	420	0.9	1.5	13.6	0.2	20.3
95-99	0.1	17.9	-0.1	-0.7	360	0.4	2.1	19.6	0.1	22.5
Top 1 Percent	*	0.1	0.0	0.0	*	0.0	3.2	30.9	0.0	29.9
Top 0.1 Percent	0.0	*	0.0	0.0	*	0.0	1.7	16.0	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	37,640	21.7	13,820	3.1	-80	-0.1	13,900	3.8	-0.6	
Second Quintile	35,090	20.3	33,700	7.0	1,990	2.3	31,720	8.0	5.9	
Middle Quintile	35,180	20.3	60,110	12.4	6,820	7.8	53,290	13.5	11.3	
Fourth Quintile	33,250	19.2	103,910	20.3	15,900	17.1	88,010	21.0	15.3	
Top Quintile	30,740	17.8	316,830	57.3	73,270	72.8	243,560	53.8	23.1	
All	#####	#####	98,270	100.0	17,880	100.0	80,390	100.0	18.2	
Addendum										
80-90	15,680	9.1	166,000	15.3	30,620	15.5	135,380	15.3	18.4	
90-95	7,780	4.5	238,700	10.9	48,020	12.1	190,680	10.7	20.1	
95-99	5,890	3.4	409,480	14.2	91,770	17.5	317,710	13.5	22.4	
Top 1 Percent	1,390	0.8	2,064,680	16.9	618,000	27.7	1,446,680	14.4	29.9	
Top 0.1 Percent	140	0.1	#####	8.3	3,212,680	14.3	7,053,600	7.0	31.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

* Non-zero value rounded to zero; ** insufficient data

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out ratably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019. <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$18,000; 40% \$34,800; 60% \$59,500; 80% \$99,600; 90% \$143,800; 95% \$202,000; 99% \$474,000; 99.9% \$2,212,300.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	53.9	0.6	18.5	38.0	-1,910	-372.0	-6.7	-5.1	-17.6	-12.9
Second Quintile	57.1	0.3	9.0	34.1	-2,140	-98.5	-5.3	0.1	-8.2	0.1
Middle Quintile	64.7	0.1	4.2	25.6	-1,690	-28.3	-2.1	11.9	-3.7	9.3
Fourth Quintile	11.9	0.0	0.2	1.6	-140	-1.1	4.0	27.0	-0.2	16.6
Top Quintile	1.1	1.0	0.0	0.1	-10	0.0	10.2	65.9	0.0	23.6
All	44.1	0.4	3.2	100.0	-1,410	-15.6	0.0	100.0	-2.7	14.5
Addendum										
80-90	1.6	1.0	0.0	0.1	-30	-0.1	2.9	18.6	0.0	19.7
90-95	0.7	1.8	0.0	0.0	*	0.0	1.9	12.0	0.0	20.9
95-99	*	0.1	0.0	0.0	*	0.0	2.3	14.8	0.0	23.5
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	3.2	20.5	0.0	32.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.6	10.3	0.0	34.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	23,150	28.1	10,840	5.8	510	1.6	10,320	6.7	4.7	
Second Quintile	18,510	22.5	26,030	11.1	2,170	5.4	23,850	12.3	8.4	
Middle Quintile	17,540	21.3	45,970	18.6	5,980	14.1	40,000	19.6	13.0	
Fourth Quintile	13,570	16.5	75,740	23.7	12,670	23.1	63,080	23.9	16.7	
Top Quintile	8,900	10.8	197,300	40.5	46,630	55.7	150,670	37.4	23.6	
All	82,350	#####	52,630	100.0	9,060	100.0	43,570	100.0	17.2	
Addendum										
80-90	5,050	6.1	117,780	13.7	23,230	15.7	94,550	13.3	19.7	
90-95	2,140	2.6	168,990	8.3	35,320	10.1	133,670	8.0	20.9	
95-99	1,420	1.7	280,390	9.2	65,760	12.5	214,630	8.5	23.5	
Top 1 Percent	300	0.4	1,351,510	9.3	432,860	17.3	918,650	7.6	32.0	
Top 0.1 Percent	30	0.0	6,470,880	4.4	2,208,970	8.7	4,261,910	3.5	34.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

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Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	60.5	0.0	24.9	21.7	-4,560	4,809.3	-1.7	-1.7	-25.1	-25.6
Second Quintile	66.3	0.0	12.0	28.4	-5,010	-228.1	-2.1	-1.2	-11.4	-6.4
Middle Quintile	73.0	0.0	5.9	32.1	-4,170	-52.9	-2.1	2.2	-5.3	4.7
Fourth Quintile	59.9	0.1	1.5	17.4	-1,620	-8.7	-0.3	13.9	-1.3	13.2
Top Quintile	16.6	18.0	0.0	-0.4	30	0.0	6.2	86.6	0.0	22.9
All	49.4	5.7	1.7	100.0	-2,350	-7.1	0.0	100.0	-1.4	18.0
Addendum										
80-90	32.9	7.8	0.3	3.1	-490	-1.4	1.0	16.8	-0.3	17.7
90-95	2.8	35.1	-0.3	-2.0	590	1.1	1.2	14.4	0.2	20.1
95-99	0.2	24.7	-0.1	-1.4	500	0.5	1.7	21.9	0.1	22.2
Top 1 Percent	*	0.1	0.0	0.0	*	0.0	2.4	33.5	0.0	29.6
Top 0.1 Percent	0.0	*	0.0	0.0	*	0.0	1.2	16.5	0.0	31.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,140	11.2	18,200	1.2	-100	0.0	18,300	1.5	-0.5	
Second Quintile	8,510	13.3	44,080	3.4	2,200	0.9	41,880	4.1	5.0	
Middle Quintile	11,590	18.1	78,380	8.3	7,870	4.3	70,500	9.3	10.0	
Fourth Quintile	16,170	25.3	128,130	19.0	18,500	14.2	109,620	20.2	14.4	
Top Quintile	20,100	31.4	369,190	68.1	84,440	80.4	284,750	65.1	22.9	
All	63,940	#####	170,480	100.0	33,020	100.0	137,460	100.0	19.4	
Addendum										
80-90	9,640	15.1	192,770	17.1	34,560	15.8	158,210	17.4	17.9	
90-95	5,210	8.1	269,740	12.9	53,580	13.2	216,160	12.8	19.9	
95-99	4,240	6.6	456,670	17.8	101,000	20.3	355,680	17.2	22.1	
Top 1 Percent	1,020	1.6	2,180,580	20.4	644,510	31.1	1,536,070	17.8	29.6	
Top 0.1 Percent	100	0.2	#####	9.6	3,334,220	15.3	7,433,050	8.2	31.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out ratably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019. <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$18,000; 40% \$34,800; 60% \$59,500; 80% \$99,600; 90% \$143,800; 95% \$202,000; 99% \$474,000; 99.9% \$2,212,300.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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

Table T19-0005
Expand the Child Tax Credit (CTC) and Replace the Earned Income Tax Credit (EITC) with Economic Security Project's
Cost-of-Living Refund (CLR) Proposal
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	89.3	6.2	13.8	39.0	-2,970	140.3	-25.1	-34.6	-15.4	-26.3
Second Quintile	94.9	2.2	6.8	38.4	-2,730	-243.8	-17.1	-11.7	-6.6	-3.9
Middle Quintile	84.3	0.3	3.0	18.1	-1,870	-26.5	2.7	26.1	-2.7	7.6
Fourth Quintile	57.5	0.8	1.0	4.3	-860	-5.1	12.8	41.9	-0.8	14.9
Top Quintile	20.2	35.7	0.0	-0.1	50	0.1	26.8	78.4	0.0	24.1
All	82.9	4.5	4.2	100.0	-2,260	-34.1	0.0	100.0	-3.7	7.2
Addendum										
80-90	32.6	31.9	0.1	0.2	-170	-0.5	7.3	21.5	-0.1	19.2
90-95	0.8	59.8	-0.3	-0.3	550	1.2	4.9	14.1	0.3	21.1
95-99	0.5	4.0	0.0	0.0	30	0.0	3.8	11.2	0.0	25.2
Top 1 Percent	*	0.0	0.0	0.0	0	0.0	10.8	31.7	0.0	30.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	7.8	23.0	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,960	29.7	19,330	9.5	-2,120	-9.5	21,450	11.9	-11.0	
Second Quintile	7,450	31.8	41,220	21.7	1,120	5.4	40,100	23.7	2.7	
Middle Quintile	5,140	21.9	68,630	24.9	7,060	23.4	61,560	25.1	10.3	
Fourth Quintile	2,680	11.4	107,550	20.3	16,860	29.1	90,690	19.3	15.7	
Top Quintile	1,160	4.9	287,920	23.5	69,340	51.6	218,580	20.0	24.1	
All	23,420	#####	60,440	100.0	6,630	100.0	53,810	100.0	11.0	
Addendum										
80-90	710	3.0	162,260	8.1	31,340	14.2	130,920	7.3	19.3	
90-95	310	1.3	223,150	4.8	46,430	9.2	176,720	4.3	20.8	
95-99	120	0.5	394,510	3.2	99,550	7.4	294,950	2.7	25.2	
Top 1 Percent	30	0.1	3,475,470	7.4	1,074,740	20.9	2,400,730	5.7	30.9	
Top 0.1 Percent	*	0.0	#####	5.3	6,990,280	15.1	#####	4.1	31.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out ratably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019. <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$18,000; 40% \$34,800; 60% \$59,500; 80% \$99,600; 90% \$143,800; 95% \$202,000; 99% \$474,000; 99.9% \$2,212,300.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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

Table T19-0005
Expand the Child Tax Credit (CTC) and Replace the Earned Income Tax Credit (EITC) with Economic Security Project's
Cost-of-Living Refund (CLR) Proposal
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	92.1	5.0	18.5	30.7	-4,130	201.6	-4.4	-6.2	-20.4	-30.5
Second Quintile	96.4	1.9	9.8	32.9	-4,250	-274.3	-4.3	-2.9	-9.4	-6.0
Middle Quintile	93.3	0.3	4.9	25.2	-3,540	-39.2	-2.4	5.3	-4.4	6.8
Fourth Quintile	84.6	0.3	1.5	11.4	-1,780	-8.0	0.8	18.0	-1.3	14.6
Top Quintile	36.6	42.8	0.0	-0.8	140	0.1	10.4	85.7	0.0	24.0
All	82.2	9.1	2.7	100.0	-2,860	-12.0	0.0	100.0	-2.2	16.0
Addendum										
80-90	68.6	20.0	0.5	2.7	-880	-2.1	1.8	17.4	-0.4	18.7
90-95	6.4	89.7	-0.6	-2.2	1,470	2.3	1.9	13.3	0.5	21.2
95-99	0.4	55.6	-0.3	-1.4	1,150	0.9	2.7	21.0	0.2	23.7
Top 1 Percent	*	0.2	0.0	0.0	10	0.0	4.1	34.1	0.0	30.3
Top 0.1 Percent	0.0	*	0.0	0.0	*	0.0	2.0	16.8	0.0	30.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	11,320	21.2	20,300	3.3	-2,050	-1.8	22,350	4.4	-10.1
Second Quintile	11,850	22.2	45,000	7.6	1,550	1.4	43,450	9.0	3.4
Middle Quintile	10,850	20.3	81,010	12.5	9,040	7.7	71,970	13.6	11.2
Fourth Quintile	9,800	18.4	141,140	19.7	22,370	17.2	118,780	20.3	15.9
Top Quintile	9,340	17.5	428,720	57.0	102,830	75.3	325,890	53.0	24.0
All	53,380	#####	131,510	100.0	23,880	100.0	107,630	100.0	18.2
Addendum									
80-90	4,760	8.9	218,790	14.8	41,780	15.6	177,000	14.7	19.1
90-95	2,240	4.2	314,660	10.0	65,220	11.5	249,430	9.7	20.7
95-99	1,860	3.5	534,300	14.2	125,230	18.3	409,070	13.3	23.4
Top 1 Percent	480	0.9	2,642,740	18.0	799,870	30.0	1,842,870	15.3	30.3
Top 0.1 Percent	50	0.1	#####	8.7	3,990,850	14.8	8,943,040	7.4	30.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

* Non-zero value rounded to zero; ** Insufficient data

Note: Tax units with children are those claiming an exemption for children at home or away from home or with children qualifying for the Child Tax Credit or EITC.

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out ratably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019.

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$18,000; 40% \$34,800; 60% \$59,500; 80% \$99,600; 90% \$143,800; 95% \$202,000; 99% \$474,000; 99.9% \$2,212,300.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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

Table T19-0005
Expand the Child Tax Credit (CTC) and Replace the Earned Income Tax Credit (EITC) with Economic Security Project's
Cost-of-Living Refund (CLR) Proposal
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	18.9	0.1	6.2	16.9	-810	-534.7	-1.1	-0.9	-6.1	-5.0
Second Quintile	23.3	*	3.9	32.6	-1,130	-156.6	-2.0	-0.8	-3.8	-1.4
Middle Quintile	27.8	*	2.5	34.7	-1,310	-43.8	-1.9	2.9	-2.4	3.1
Fourth Quintile	18.8	0.0	0.7	14.3	-610	-6.3	0.0	13.9	-0.7	9.7
Top Quintile	2.1	1.7	0.0	0.6	-30	-0.1	5.1	84.3	0.0	22.0
All	19.2	0.3	1.1	100.0	-830	-6.1	0.0	100.0	-0.9	14.4
Addendum										
80-90	3.7	0.6	0.1	0.9	-90	-0.4	0.8	14.2	-0.1	15.2
90-95	0.8	3.4	0.0	-0.1	30	0.1	0.7	11.9	0.0	17.5
95-99	0.1	2.7	0.0	-0.1	40	0.1	1.1	18.5	0.0	20.8
Top 1 Percent	0.0	*	0.0	0.0	0	0.0	2.4	39.8	0.0	30.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.4	23.1	0.0	31.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2019 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,270	17.3	13,200	2.6	150	0.2	13,050	3.0	1.2	
Second Quintile	10,040	24.0	29,770	8.1	720	1.3	29,050	9.3	2.4	
Middle Quintile	9,240	22.1	54,400	13.5	2,980	4.8	51,420	15.1	5.5	
Fourth Quintile	8,200	19.6	93,580	20.7	9,690	14.0	83,900	21.9	10.4	
Top Quintile	6,710	16.0	305,210	55.1	67,200	79.2	238,010	50.8	22.0	
All	41,920	#####	88,570	100.0	13,570	100.0	75,000	100.0	15.3	
Addendum										
80-90	3,380	8.1	148,050	13.5	22,560	13.4	125,490	13.5	15.2	
90-95	1,700	4.0	214,060	9.8	37,330	11.1	176,730	9.5	17.4	
95-99	1,290	3.1	368,120	12.8	76,530	17.4	291,590	12.0	20.8	
Top 1 Percent	340	0.8	2,085,860	19.1	625,350	37.3	1,460,510	15.8	30.0	
Top 0.1 Percent	40	0.1	9,368,890	10.5	2,955,510	21.7	6,413,380	8.5	31.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

* Non-zero value rounded to zero; ** Insufficient data

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is the law in place for 2019 as of April 1, 2019. Child credit changes follow those proposed in the American Family Act and would (a) make the child tax credit fully refundable regardless of income, (b) increase the maximum credit to \$3,000 per child and \$3,600 per child under age 6, (c) lower the phase-out thresholds to \$180,000 for married taxpayers filing jointly and \$130,000 for all other taxpayers, and (d) index the maximum credit amount to the chain-weighted consumer price index. The ESP's Cost-of-Living Refund Proposal would replace the EITC with a fully refundable credit equal to the lesser of \$4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out ratably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 2019. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the CLR. Proposal would be effective 01/01/2019.

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$18,000; 40% \$34,800; 60% \$59,500; 80% \$99,600; 90% \$143,800; 95% \$202,000; 99% \$474,000; 99.9% \$2,212,300.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

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