

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

Table T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Summary Table

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units with Tax Increase or Cut ³				Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	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 (\$)					
Less than 10	52.9	-3,570	0.0	0	35.6	9.7	-1,890	-33.7	-28.3
10-20	55.5	-3,280	0.0	0	12.1	16.6	-1,820	-11.8	-9.2
20-30	61.4	-3,240	0.0	0	8.1	16.3	-1,990	-7.8	-4.1
30-40	68.2	-3,400	0.0	0	7.0	15.5	-2,320	-6.5	0.4
40-50	68.2	-3,080	0.0	0	5.1	12.0	-2,100	-4.6	4.8
50-75	48.3	-3,330	0.0	0	2.9	17.0	-1,610	-2.6	9.1
75-100	33.5	-3,960	0.0	0	1.7	9.4	-1,330	-1.5	12.7
100-200	9.5	-2,390	0.0	0	0.2	2.9	-230	-0.2	16.7
200-500	0.1	-3,590	0.0	0	0.0	0.0	*	0.0	20.5
500-1,000	0.0	0	0.0	0	0.0	0.0	0	0.0	24.8
More than 1,000	0.0	0	0.0	0	0.0	0.0	0	0.0	30.7
All	41.7	-3,320	0.0	0	1.7	100.0	-1,380	-1.4	16.8

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 years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases <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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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 taxes; and excise taxes.

(5) 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 T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	52.9	0.0	35.6	9.7	-1,890	-630.5	-0.8	-0.7	-33.7	-28.3
10-20	55.5	0.0	12.1	16.6	-1,820	-457.9	-1.4	-1.1	-11.8	-9.2
20-30	61.4	0.0	8.1	16.3	-1,990	-210.4	-1.3	-0.7	-7.8	-4.1
30-40	68.2	0.0	7.0	15.5	-2,320	-94.6	-1.2	0.1	-6.5	0.4
40-50	68.2	0.0	5.1	12.0	-2,100	-48.6	-0.9	1.1	-4.6	4.8
50-75	48.3	0.0	2.9	17.0	-1,610	-22.0	-0.9	5.1	-2.6	9.1
75-100	33.5	0.0	1.7	9.4	-1,330	-10.6	-0.2	6.7	-1.5	12.7
100-200	9.5	0.0	0.2	2.9	-230	-1.0	1.7	25.0	-0.2	16.7
200-500	0.1	0.0	0.0	0.0	*	0.0	2.2	28.2	0.0	20.5
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.8	10.5	0.0	24.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.0	25.6	0.0	30.7
All	41.7	0.0	1.7	100.0	-1,380	-7.7	0.0	100.0	-1.4	16.8

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	12,360	7.1	5,600	0.4	300	0.1	5,300	0.5	5.3
10-20	21,830	12.6	15,430	2.0	400	0.3	15,040	2.4	2.6
20-30	19,680	11.4	25,370	2.9	940	0.6	24,430	3.5	3.7
30-40	15,950	9.2	35,670	3.3	2,450	1.3	33,220	3.8	6.9
40-50	13,720	7.9	45,870	3.7	4,320	1.9	41,550	4.1	9.4
50-75	25,380	14.7	62,790	9.4	7,310	6.0	55,480	10.1	11.6
75-100	17,050	9.9	88,540	8.9	12,550	6.9	75,980	9.3	14.2
100-200	29,950	17.3	143,130	25.2	24,060	23.3	119,070	25.6	16.8
200-500	13,450	7.8	291,900	23.1	59,960	26.1	231,940	22.4	20.5
500-1,000	1,780	1.0	682,950	7.1	169,250	9.7	513,690	6.6	24.8
More than 1,000	740	0.4	3,204,660	14.0	984,520	23.6	2,220,140	11.8	30.7
All	173,110	100.0	98,270	100.0	17,880	100.0	80,390	100.0	18.2

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 years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phase: <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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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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Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Single Tax Units

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	52.9	0.0	34.3	16.2	-1,800	-444.5	-2.7	-2.2	-31.9	-24.7
10-20	52.0	0.0	12.6	26.0	-1,810	-205.0	-4.2	-2.3	-11.8	-6.1
20-30	57.7	0.0	8.8	22.1	-2,050	-105.4	-3.3	-0.2	-8.1	-0.4
30-40	65.9	0.0	7.3	18.8	-2,320	-60.7	-2.5	2.1	-6.5	4.2
40-50	65.5	0.0	4.1	11.1	-1,640	-27.8	-0.9	5.0	-3.6	9.3
50-75	34.2	0.0	0.8	5.0	-450	-4.8	1.8	17.2	-0.7	14.1
75-100	2.1	0.0	0.1	0.3	-50	-0.3	2.4	16.1	-0.1	18.0
100-200	0.6	0.0	0.0	0.1	-20	-0.1	4.3	28.8	0.0	20.2
200-500	0.0	0.0	0.0	0.0	0	0.0	2.4	16.0	0.0	23.6
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	5.0	0.0	28.5
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.1	14.3	0.0	33.9
All	43.6	0.0	3.1	100.0	-1,350	-14.9	0.0	100.0	-2.6	14.7

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	9,960	12.1	5,660	1.3	410	0.5	5,250	1.5	7.2
10-20	15,930	19.4	15,300	5.6	880	1.9	14,420	6.4	5.8
20-30	11,970	14.5	25,250	7.0	1,950	3.1	23,300	7.8	7.7
30-40	9,000	10.9	35,660	7.4	3,820	4.6	31,850	8.0	10.7
40-50	7,500	9.1	45,900	7.9	5,880	5.9	40,020	8.4	12.8
50-75	12,400	15.1	62,420	17.9	9,240	15.4	53,180	18.4	14.8
75-100	6,480	7.9	87,740	13.1	15,850	13.8	71,890	13.0	18.1
100-200	6,700	8.1	135,090	20.9	27,280	24.5	107,810	20.1	20.2
200-500	1,500	1.8	287,090	9.9	67,820	13.6	219,280	9.1	23.6
500-1,000	160	0.2	683,880	2.6	194,850	4.2	489,030	2.2	28.5
More than 1,000	90	0.1	3,123,090	6.2	1,059,380	12.2	2,063,710	4.9	33.9
All	82,350	100.0	52,630	100.0	9,060	100.0	43,570	100.0	17.2

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

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

(1) Calendar years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phase:

<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

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

(4) 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

(5) 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 T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	41.9	0.0	58.1	3.6	-2,590	-1,823.1	-0.2	-0.2	-56.3	-53.2
10-20	49.3	0.0	19.2	7.5	-3,000	-1,585.4	-0.4	-0.4	-18.9	-17.7
20-30	54.2	0.0	11.9	10.2	-3,010	-1,077.8	-0.5	-0.5	-11.7	-10.6
30-40	57.4	0.0	9.4	10.2	-3,280	-410.2	-0.5	-0.4	-9.2	-7.0
40-50	63.2	0.0	9.0	11.5	-3,960	-195.2	-0.6	-0.3	-8.6	-4.2
50-75	63.3	0.0	7.0	29.2	-4,120	-84.2	-1.5	0.3	-6.5	1.2
75-100	66.2	0.0	3.6	20.8	-2,820	-28.4	-0.9	2.8	-3.2	8.0
100-200	13.5	0.0	0.3	6.3	-330	-1.4	0.9	23.3	-0.2	15.5
200-500	0.1	0.0	0.0	0.0	*	0.0	1.7	33.6	0.0	20.1
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	12.9	0.0	24.3
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	1.4	28.7	0.0	30.3
All	32.1	0.0	1.2	100.0	-1,650	-5.0	0.0	100.0	-1.0	18.4

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,480	2.3	4,600	0.1	140	0.0	4,460	0.1	3.1
10-20	2,630	4.1	15,830	0.4	190	0.0	15,640	0.5	1.2
20-30	3,590	5.6	25,680	0.9	280	0.1	25,400	1.0	1.1
30-40	3,280	5.1	35,760	1.1	800	0.1	34,960	1.3	2.2
40-50	3,060	4.8	46,020	1.3	2,030	0.3	43,990	1.5	4.4
50-75	7,500	11.7	63,670	4.4	4,890	1.7	58,780	5.0	7.7
75-100	7,770	12.2	89,250	6.4	9,950	3.7	79,300	7.0	11.2
100-200	20,580	32.2	146,740	27.7	23,030	22.5	123,720	29.0	15.7
200-500	11,440	17.9	293,570	30.8	58,930	31.9	234,640	30.5	20.1
500-1,000	1,560	2.4	683,500	9.8	166,330	12.3	517,160	9.2	24.3
More than 1,000	620	1.0	3,045,470	17.4	923,140	27.2	2,122,340	15.0	30.3
All	63,940	100.0	170,480	100.0	33,020	100.0	137,460	100.0	19.4

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

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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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(4) 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

(5) 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 T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	83.4	0.0	26.2	6.7	-1,950	235.4	-1.2	-1.7	-29.5	-42.0
10-20	85.0	0.0	5.6	13.0	-1,000	46.8	-3.0	-7.1	-6.3	-19.8
20-30	85.3	0.0	3.6	16.2	-980	54.1	-3.6	-8.0	-3.9	-11.0
30-40	92.7	0.0	4.6	23.5	-1,620	-1,441.9	-4.0	-3.8	-4.6	-4.2
40-50	90.8	0.0	3.7	19.5	-1,610	-71.5	-2.7	1.3	-3.5	1.4
50-75	69.0	0.0	1.6	19.2	-930	-16.9	-0.4	16.4	-1.5	7.4
75-100	18.0	0.0	0.2	1.6	-160	-1.4	2.7	20.0	-0.2	12.6
100-200	1.3	0.0	0.0	0.1	-10	-0.1	5.7	38.5	0.0	17.1
200-500	*	0.0	0.0	0.0	*	0.0	2.5	16.9	0.0	22.0
500-1,000	*	0.0	0.0	0.0	0	0.0	0.7	4.8	0.0	27.9
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	3.3	22.3	0.0	31.2
All	67.2	0.0	1.8	100.0	-980	-14.7	0.0	100.0	-1.6	9.4

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	790	3.4	6,630	0.4	-830	-0.4	7,460	0.5	-12.5
10-20	2,990	12.8	15,790	3.3	-2,130	-4.1	17,920	4.3	-13.5
20-30	3,780	16.1	25,450	6.8	-1,810	-4.4	27,260	8.2	-7.1
30-40	3,310	14.2	35,590	8.3	110	0.2	35,480	9.3	0.3
40-50	2,770	11.8	45,630	8.9	2,240	4.0	43,390	9.6	4.9
50-75	4,720	20.1	62,280	20.8	5,530	16.8	56,750	21.2	8.9
75-100	2,370	10.1	88,370	14.8	11,320	17.3	77,050	14.5	12.8
100-200	2,210	9.5	134,910	21.1	23,060	32.9	111,850	19.7	17.1
200-500	380	1.6	265,480	7.2	58,480	14.4	207,000	6.3	22.0
500-1,000	40	0.2	655,830	1.6	182,810	4.1	473,020	1.3	27.9
More than 1,000	20	0.1	5,802,970	6.7	1,808,560	19.0	3,994,410	5.2	31.2
All	23,420	100.0	60,440	100.0	6,630	100.0	53,810	100.0	11.0

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

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

(1) Calendar years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phase:

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

(4) 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

(5) 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 T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	84.1	0.0	33.2	4.1	-2,450	272.1	-0.3	-0.3	-37.8	-51.6
10-20	86.8	0.0	8.0	8.9	-1,440	65.2	-0.6	-1.4	-9.1	-23.0
20-30	85.4	0.0	5.3	11.5	-1,460	77.9	-0.7	-1.6	-5.7	-13.1
30-40	90.5	0.0	5.9	14.2	-2,100	1,408.2	-0.9	-0.9	-5.9	-6.3
40-50	88.7	0.0	5.5	13.5	-2,410	-130.5	-0.8	-0.2	-5.3	-1.2
50-75	76.4	0.0	4.5	28.4	-2,610	-49.9	-1.5	1.7	-4.2	4.2
75-100	56.0	0.0	2.6	15.2	-2,020	-18.7	-0.6	3.9	-2.3	9.9
100-200	11.8	0.0	0.2	3.7	-230	-1.0	1.1	22.7	-0.2	15.9
200-500	*	0.0	0.0	0.0	0	0.0	1.8	32.5	0.0	20.3
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.8	13.5	0.0	24.9
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	1.7	29.9	0.0	30.5
All	52.7	0.0	1.3	100.0	-1,350	-5.6	0.0	100.0	-1.0	17.1

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,210	2.3	6,490	0.1	-900	-0.1	7,390	0.2	-13.9
10-20	4,460	8.4	15,830	1.0	-2,210	-0.8	18,040	1.4	-13.9
20-30	5,660	10.6	25,460	2.1	-1,870	-0.8	27,330	2.7	-7.3
30-40	4,870	9.1	35,530	2.5	-150	-0.1	35,680	3.0	-0.4
40-50	4,010	7.5	45,760	2.6	1,850	0.6	43,910	3.1	4.0
50-75	7,800	14.6	62,890	7.0	5,240	3.2	57,650	7.8	8.3
75-100	5,390	10.1	88,900	6.8	10,770	4.6	78,130	7.3	12.1
100-200	11,810	22.1	145,700	24.5	23,380	21.7	122,330	25.1	16.0
200-500	6,600	12.4	292,550	27.5	59,290	30.7	233,260	26.8	20.3
500-1,000	960	1.8	681,900	9.3	169,580	12.7	512,320	8.5	24.9
More than 1,000	390	0.7	3,055,350	16.8	932,470	28.2	2,122,880	14.2	30.5
All	53,380	100.0	131,510	100.0	23,880	100.0	107,630	100.0	18.2

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 years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phase: <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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T19-0023
Economic Security Project Proposal - Cost-of-Living Refund (CLR) with Patch
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Level (thousands of 2018 dollars) 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
Less than 10	18.9	0.0	14.1	4.0	-690	-1,014.0	-0.2	-0.2	-13.9	-12.5
10-20	15.7	0.0	3.8	10.6	-590	-277.8	-0.6	-0.4	-3.7	-2.4
20-30	19.4	0.0	3.2	14.2	-800	-137.5	-0.8	-0.2	-3.2	-0.9
30-40	24.5	0.0	3.3	14.9	-1,120	-97.0	-0.8	0.0	-3.1	0.1
40-50	25.5	0.0	2.7	13.3	-1,170	-55.6	-0.7	0.6	-2.6	2.1
50-75	23.7	0.0	2.0	23.5	-1,170	-27.8	-1.1	3.7	-1.9	4.8
75-100	23.2	0.0	1.3	14.2	-1,050	-12.3	-0.5	6.2	-1.2	8.5
100-200	7.7	0.0	0.2	4.5	-220	-1.1	1.1	23.3	-0.2	13.8
200-500	*	0.0	0.0	0.0	*	0.0	1.4	24.3	0.0	19.6
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.5	9.1	0.0	24.1
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	1.9	33.2	0.0	31.0
All	17.9	0.0	1.0	100.0	-770	-5.7	0.0	100.0	-0.9	14.5

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

Expanded Cash Income Level (thousands of 2018 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,890	4.5	4,930	0.3	70	0.0	4,860	0.3	1.4
10-20	5,800	13.8	15,720	2.5	210	0.2	15,500	2.9	1.4
20-30	5,720	13.7	25,410	3.9	580	0.6	24,830	4.5	2.3
30-40	4,300	10.3	35,620	4.1	1,150	0.9	34,460	4.7	3.2
40-50	3,670	8.8	45,820	4.5	2,110	1.4	43,710	5.1	4.6
50-75	6,510	15.5	62,730	11.0	4,210	4.8	58,520	12.1	6.7
75-100	4,390	10.5	88,540	10.5	8,560	6.6	79,970	11.2	9.7
100-200	6,490	15.5	139,790	24.4	19,510	22.3	120,280	24.8	14.0
200-500	2,230	5.3	297,740	17.9	58,360	22.9	239,370	17.0	19.6
500-1,000	290	0.7	692,220	5.4	166,830	8.5	525,380	4.9	24.1
More than 1,000	160	0.4	3,541,060	15.5	1,097,610	31.3	2,443,450	12.6	31.0
All	41,920	100.0	88,570	100.0	13,570	100.0	75,000	100.0	15.3

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 years. Baseline is the law in place for each year as of December 12, 2018. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2023 and thereafter); take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of household: 60.0 (70.0); non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current-law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5); assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.5% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phase: <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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.