

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

Table T20-0183
Expand Child and Dependent Care Tax Credit (CDCTC) and Make Fully Refundable in
H.R.6800 Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act
As Passed by the House on May 15, 2020
Baseline: 2019 Current Law at 2019 Income Levels (Including Recovery Rebate in CARES Act as if Enacted in 2019)
Proposal: Assumes Provision is Enacted in 2019
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Summary Table

Expanded Cash Income Level (thousands of 2019 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	0.7	-1,010	0.0	0	0.1	1.0	-10	-0.1	-21.0
10-20	1.3	-1,250	0.0	0	0.1	3.8	-20	-0.1	-7.3
20-30	2.1	-1,320	0.0	0	0.1	6.0	-30	-0.1	-2.5
30-40	3.1	-1,360	0.0	0	0.1	7.3	-40	-0.1	2.3
40-50	3.0	-1,230	0.0	0	0.1	5.5	-40	-0.1	5.6
50-75	4.0	-1,170	0.0	0	0.1	12.8	-50	-0.1	9.2
75-100	4.5	-1,280	0.0	0	0.1	10.5	-60	-0.1	12.4
100-200	7.8	-1,310	0.0	0	0.1	36.0	-100	-0.1	16.1
200-500	9.7	-1,010	0.0	0	0.0	15.6	-100	0.0	21.1
500-1,000	5.6	-1,000	0.0	0	0.0	1.1	-60	0.0	24.9
More than 1,000	3.3	-1,050	0.0	0	0.0	0.3	-40	0.0	29.8
All	4.3	-1,220	0.0	0	0.1	100.0	-50	-0.1	17.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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 currently in place for 2019 as of March 17, 2020 but also includes the Recovery Rebates for Individuals enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The proposal would: make the child and dependent care tax credit (CDCTC) fully refundable; increase the maximum credit rate from 35 to 50 percent; increase income level at which the the credit rate begins to phase down from \$15,000 to \$120,000; and increase the amount of child and dependent care expenses that are eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals. We model the provisions as if enacted in 2019 at 2019 income levels.

<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.

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Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table

Expanded Cash Income Level (thousands of 2019 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	0.7	0.0	0.1	1.0	-10	0.7	0.0	-0.5	-0.1	-21.0
10-20	1.3	0.0	0.1	3.8	-20	1.4	0.0	-0.8	-0.1	-7.3
20-30	2.1	0.0	0.1	6.0	-30	4.8	0.0	-0.4	-0.1	-2.5
30-40	3.1	0.0	0.1	7.3	-40	-5.0	0.0	0.4	-0.1	2.3
40-50	3.0	0.0	0.1	5.5	-40	-1.5	0.0	1.1	-0.1	5.6
50-75	4.0	0.0	0.1	12.8	-50	-0.8	0.0	4.7	-0.1	9.2
75-100	4.5	0.0	0.1	10.5	-60	-0.5	0.0	6.0	-0.1	12.4
100-200	7.8	0.0	0.1	36.0	-100	-0.5	0.0	24.1	-0.1	16.1
200-500	9.7	0.0	0.0	15.6	-100	-0.2	0.0	29.3	0.0	21.1
500-1,000	5.6	0.0	0.0	1.1	-60	0.0	0.0	10.2	0.0	24.9
More than 1,000	3.3	0.0	0.0	0.3	-40	0.0	0.1	25.6	0.0	29.8
All	4.3	0.0	0.1	100.0	-50	-0.3	0.0	100.0	-0.1	17.1

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

Expanded Cash Income Level (thousands of 2019 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	12,490	7.2	5,380	0.4	-1,120	-0.5	6,510	0.6	-20.9
10-20	22,010	12.6	15,070	1.9	-1,090	-0.8	16,160	2.5	-7.2
20-30	19,660	11.3	24,790	2.8	-580	-0.4	25,370	3.5	-2.3
30-40	15,860	9.1	34,910	3.2	840	0.5	34,060	3.8	2.4
40-50	13,250	7.6	44,860	3.4	2,560	1.1	42,300	3.9	5.7
50-75	24,800	14.2	61,470	8.8	5,700	4.8	55,770	9.6	9.3
75-100	16,610	9.5	86,720	8.3	10,800	6.0	75,920	8.8	12.5
100-200	31,760	18.2	140,330	25.7	22,650	24.2	117,680	26.0	16.1
200-500	14,360	8.2	286,490	23.7	60,590	29.2	225,910	22.6	21.2
500-1,000	1,810	1.0	673,950	7.0	167,700	10.2	506,240	6.4	24.9
More than 1,000	830	0.5	3,067,100	14.7	913,170	25.5	2,153,930	12.5	29.8
All	#####	100.0	99,280	100.0	17,030	100.0	82,250	100.0	17.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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 currently in place for 2019 as of March 17, 2020 but also includes the Recovery Rebates for Individuals enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The proposal would: make the child and dependent care tax credit (CDCTC) fully refundable; increase the maximum credit rate from 35 to 50 percent; increase income level at which the credit rate begins to phase down from \$15,000 to \$120,000; and increase the amount of child and dependent care expenses that are eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals. We model the provisions as if enacted in 2019 at 2019 income levels.

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(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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Proposal: Assumes Provision is Enacted in 2019
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Single Tax Units

Expanded Cash Income Level (thousands of 2019 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	0.3	0.0	0.0	5.4	*	0.3	0.0	-1.2	-0.1	-15.0
10-20	0.4	0.0	0.0	20.4	-10	1.8	0.0	-0.8	0.0	-2.4
20-30	0.5	0.0	0.0	10.4	*	-0.5	0.0	1.4	0.0	3.3
30-40	0.9	0.0	0.1	29.4	-20	-0.6	0.0	3.4	-0.1	7.3
40-50	0.2	0.0	0.0	5.8	*	-0.1	0.0	4.8	0.0	10.1
50-75	0.4	0.0	0.0	11.1	*	-0.1	0.0	14.8	0.0	13.4
75-100	0.4	0.0	0.0	9.8	-10	-0.1	0.0	13.9	0.0	17.1
100-200	0.4	0.0	0.0	5.8	*	0.0	0.0	29.5	0.0	20.7
200-500	0.3	0.0	0.0	1.9	-10	0.0	0.0	15.3	0.0	23.4
500-1,000	0.1	0.0	0.0	0.0	0	0.0	0.0	4.6	0.0	29.4
More than 1,000	0.1	0.0	0.0	0.0	*	0.0	0.0	14.1	0.0	31.7
All	0.4	0.0	0.0	100.0	-10	-0.1	0.0	100.0	0.0	15.6

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

Expanded Cash Income Level (thousands of 2019 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	9,880	11.8	5,450	1.2	-810	-1.2	6,270	1.7	-14.9
10-20	16,010	19.1	14,980	5.4	-360	-0.8	15,340	6.5	-2.4
20-30	12,130	14.5	24,690	6.7	810	1.4	23,880	7.7	3.3
30-40	9,170	10.9	34,880	7.2	2,570	3.4	32,310	7.9	7.4
40-50	7,450	8.9	44,850	7.5	4,520	4.8	40,320	8.0	10.1
50-75	12,580	15.0	61,110	17.3	8,180	14.8	52,930	17.7	13.4
75-100	6,560	7.8	86,200	12.7	14,740	13.9	71,450	12.5	17.1
100-200	7,500	8.9	132,330	22.3	27,340	29.5	104,990	20.9	20.7
200-500	1,630	2.0	277,620	10.2	65,010	15.3	212,610	9.2	23.4
500-1,000	160	0.2	679,720	2.5	199,930	4.6	479,790	2.1	29.4
More than 1,000	100	0.1	3,156,960	7.0	1,001,890	14.1	2,155,070	5.6	31.7
All	83,830	100.0	53,160	100.0	8,300	100.0	44,860	100.0	15.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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(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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Proposal: Assumes Provision is Enacted in 2019
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 2019 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	*	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-54.3
10-20	0.1	0.0	0.0	0.1	*	0.0	0.0	-0.3	0.0	-15.9
20-30	0.5	0.0	0.0	0.4	-10	0.2	0.0	-0.4	0.0	-9.6
30-40	1.0	0.0	0.0	0.8	-10	0.6	0.0	-0.3	0.0	-5.6
40-50	1.2	0.0	0.0	0.7	-10	1.4	0.0	-0.1	0.0	-2.0
50-75	2.9	0.0	0.0	3.6	-20	-1.1	0.0	0.7	0.0	3.4
75-100	4.6	0.0	0.1	6.7	-40	-0.6	0.0	2.5	-0.1	8.3
100-200	9.9	0.0	0.1	56.6	-130	-0.6	-0.1	21.2	-0.1	14.4
200-500	11.0	0.0	0.1	28.5	-110	-0.2	0.0	35.2	0.0	20.8
500-1,000	6.2	0.0	0.0	2.1	-60	0.0	0.0	12.6	0.0	24.4
More than 1,000	3.7	0.0	0.0	0.6	-40	0.0	0.1	28.9	0.0	29.5
All	6.5	0.0	0.1	100.0	-70	-0.2	0.0	100.0	0.0	18.7

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

Expanded Cash Income Level (thousands of 2019 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	1,630	2.5	4,380	0.1	-2,380	-0.2	6,750	0.1	-54.3
10-20	2,710	4.2	15,340	0.4	-2,440	-0.3	17,780	0.5	-15.9
20-30	3,520	5.5	25,050	0.8	-2,390	-0.4	27,440	1.1	-9.5
30-40	3,230	5.0	34,950	1.0	-1,940	-0.3	36,890	1.3	-5.5
40-50	2,880	4.5	44,870	1.2	-880	-0.1	45,750	1.5	-2.0
50-75	6,960	10.8	62,350	3.9	2,160	0.7	60,190	4.6	3.5
75-100	7,280	11.3	87,380	5.7	7,290	2.6	80,090	6.4	8.4
100-200	21,180	32.9	144,310	27.4	20,950	21.3	123,370	28.9	14.5
200-500	12,230	19.0	288,530	31.7	60,020	35.2	228,510	30.9	20.8
500-1,000	1,600	2.5	673,640	9.7	164,140	12.6	509,500	9.0	24.4
More than 1,000	700	1.1	2,927,110	18.3	864,070	28.8	2,063,050	15.8	29.5
All	64,370	100.0	173,090	100.0	32,390	100.0	140,700	100.0	18.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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Proposal: Assumes Provision is Enacted in 2019
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 2019 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	8.0	0.0	0.9	1.7	-80	3.2	-0.1	-1.8	-1.2	-39.0
10-20	6.8	0.0	0.4	6.3	-80	2.1	-0.6	-10.5	-0.5	-25.7
20-30	9.2	0.0	0.5	12.3	-130	3.5	-0.8	-12.2	-0.5	-15.2
30-40	12.1	0.0	0.4	12.5	-160	9.0	-0.6	-5.1	-0.4	-5.4
40-50	13.7	0.0	0.4	11.2	-170	-52.6	-0.4	0.3	-0.4	0.3
50-75	16.3	0.0	0.4	24.4	-210	-5.5	-0.3	14.2	-0.3	5.8
75-100	16.4	0.0	0.3	15.3	-250	-2.6	0.1	19.6	-0.3	11.1
100-200	13.6	0.0	0.2	14.8	-220	-1.0	1.1	49.3	-0.2	16.4
200-500	14.0	0.0	0.1	1.5	-150	-0.3	0.6	19.0	-0.1	22.0
500-1,000	7.3	0.0	0.0	0.1	-70	0.0	0.2	4.7	0.0	27.8
More than 1,000	9.1	0.0	0.0	0.1	-120	0.0	0.7	22.5	0.0	30.1
All	12.4	0.0	0.3	100.0	-170	-3.3	0.0	100.0	-0.3	8.2

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

Expanded Cash Income Level (thousands of 2019 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	830	3.6	6,410	0.4	-2,420	-1.7	8,830	0.6	-37.8
10-20	3,020	13.0	15,330	3.3	-3,860	-9.9	19,190	4.5	-25.2
20-30	3,680	15.9	24,860	6.6	-3,650	-11.4	28,510	8.2	-14.7
30-40	3,100	13.4	34,920	7.8	-1,720	-4.5	36,630	8.9	-4.9
40-50	2,570	11.1	44,890	8.3	320	0.7	44,570	9.0	0.7
50-75	4,570	19.7	61,140	20.0	3,740	14.5	57,390	20.6	6.1
75-100	2,330	10.1	86,200	14.5	9,780	19.4	76,420	14.0	11.4
100-200	2,590	11.2	132,190	24.6	21,890	48.2	110,300	22.4	16.6
200-500	370	1.6	262,710	7.0	58,050	18.4	204,660	6.0	22.1
500-1,000	30	0.1	666,490	1.4	185,130	4.6	481,350	1.1	27.8
More than 1,000	20	0.1	5,267,830	6.1	1,583,480	21.8	3,684,350	4.7	30.1
All	23,150	100.0	60,140	100.0	5,080	100.0	55,060	100.0	8.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

(1) Calendar year. Baseline is the law currently in place for 2019 as of March 17, 2020 but also includes the Recovery Rebates for Individuals enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The proposal would: make the child and dependent care tax credit (CDCTC) fully refundable; increase the maximum credit rate from 35 to 50 percent; increase income level at which the the credit rate begins to phase down from \$15,000 to \$120,000; and increase the amount of child and dependent care expenses that are eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals. We model the provisions as if enacted in 2019 at 2019 income levels.

<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 T20-0183
Expand Child and Dependent Care Tax Credit (CDCTC) and Make Fully Refundable in
H.R.6800 Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act
As Passed by the House on May 15, 2020
Baseline: 2019 Current Law at 2019 Income Levels (Including Recovery Rebate in CARES Act as if Enacted in 2019)
Proposal: Assumes Provision is Enacted in 2019
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Level (thousands of 2019 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	7.2	0.0	0.8	1.0	-70	2.5	0.0	-0.3	-1.1	-45.7
10-20	6.1	0.0	0.4	3.8	-80	1.8	0.0	-1.6	-0.5	-27.9
20-30	7.5	0.0	0.3	6.0	-100	2.5	-0.1	-1.8	-0.4	-16.6
30-40	10.8	0.0	0.4	7.3	-150	6.0	-0.1	-1.0	-0.4	-7.4
40-50	11.1	0.0	0.3	5.5	-140	43.0	0.0	-0.1	-0.3	-1.0
50-75	13.8	0.0	0.3	12.8	-160	-5.6	-0.1	1.6	-0.3	4.5
75-100	14.6	0.0	0.2	10.5	-190	-2.2	-0.1	3.4	-0.2	9.4
100-200	19.9	0.0	0.2	36.0	-260	-1.2	-0.1	21.8	-0.2	14.9
200-500	20.1	0.0	0.1	15.6	-200	-0.3	0.1	34.8	-0.1	21.4
500-1,000	11.0	0.0	0.0	1.1	-110	-0.1	0.1	13.0	0.0	25.6
More than 1,000	6.7	0.0	0.0	0.3	-70	0.0	0.2	30.0	0.0	30.0
All	14.1	0.0	0.2	100.0	-170	-0.7	0.0	100.0	-0.1	17.4

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

Expanded Cash Income Level (thousands of 2019 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	1,280	2.4	6,370	0.1	-2,840	-0.3	9,210	0.2	-44.6
10-20	4,500	8.5	15,310	1.0	-4,200	-1.5	19,510	1.5	-27.4
20-30	5,480	10.4	24,810	1.9	-4,020	-1.8	28,830	2.7	-16.2
30-40	4,530	8.6	34,770	2.2	-2,440	-0.9	37,210	2.9	-7.0
40-50	3,640	6.9	44,930	2.3	-320	-0.1	45,250	2.8	-0.7
50-75	7,160	13.6	61,650	6.3	2,920	1.7	58,730	7.2	4.7
75-100	5,090	9.7	86,920	6.3	8,390	3.5	78,530	6.9	9.7
100-200	12,510	23.7	143,040	25.4	21,610	21.9	121,430	26.1	15.1
200-500	6,950	13.2	287,800	28.4	61,650	34.7	226,150	27.0	21.4
500-1,000	930	1.8	674,920	8.9	172,560	12.9	502,370	8.0	25.6
More than 1,000	410	0.8	2,977,290	17.4	893,420	29.8	2,083,870	14.8	30.0
All	52,690	100.0	133,830	100.0	23,440	100.0	110,390	100.0	17.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

* 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 currently in place for 2019 as of March 17, 2020 but also includes the Recovery Rebates for Individuals enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The proposal would: make the child and dependent care tax credit (CDCTC) fully refundable; increase the maximum credit rate from 35 to 50 percent; increase income level at which the credit rate begins to phase down from \$15,000 to \$120,000; and increase the amount of child and dependent care expenses that are eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals. We model the provisions as if enacted in 2019 at 2019 income levels.

<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 T20-0183
Expand Child and Dependent Care Tax Credit (CDCTC) and Make Fully Refundable in
H.R.6800 Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act
As Passed by the House on May 15, 2020
Baseline: 2019 Current Law at 2019 Income Levels (Including Recovery Rebate in CARES Act as if Enacted in 2019)
Proposal: Assumes Provision is Enacted in 2019
Distribution of Federal Tax Change by Expanded Cash Income Level, 2019 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Level (thousands of 2019 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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-29.8
10-20	*	0.0	0.0	1.4	0	0.0	0.0	-1.4	0.0	-8.2
20-30	0.1	0.0	0.0	4.2	0	0.0	0.0	-1.0	0.0	-3.9
30-40	0.0	0.0	0.0	0.9	0	0.0	0.0	-0.5	0.0	-1.7
40-50	0.1	0.0	0.0	12.9	*	-1.6	0.0	0.1	0.0	0.2
50-75	*	0.0	0.0	9.1	*	0.0	0.0	2.5	0.0	3.2
75-100	0.2	0.0	0.0	16.6	*	0.0	0.0	5.0	0.0	6.8
100-200	0.2	0.0	0.0	43.7	*	0.0	0.0	21.9	0.0	12.0
200-500	0.2	0.0	0.0	9.1	*	0.0	0.0	24.4	0.0	18.5
500-1,000	0.5	0.0	0.0	1.3	*	0.0	0.0	10.3	0.0	23.2
More than 1,000	0.3	0.0	0.0	1.0	*	0.0	0.0	38.8	0.0	29.5
All	0.1	0.0	0.0	100.0	*	0.0	0.0	100.0	0.0	13.3

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

Expanded Cash Income Level (thousands of 2019 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	1,850	4.4	4,960	0.2	-1,480	-0.5	6,430	0.4	-29.8
10-20	5,680	13.3	15,370	2.3	-1,260	-1.4	16,630	2.8	-8.2
20-30	5,580	13.1	24,910	3.6	-960	-1.0	25,870	4.3	-3.9
30-40	4,430	10.4	34,940	4.0	-600	-0.5	35,530	4.7	-1.7
40-50	3,910	9.2	44,720	4.5	90	0.1	44,630	5.2	0.2
50-75	6,530	15.3	61,330	10.3	1,980	2.5	59,350	11.5	3.2
75-100	4,390	10.3	86,550	9.8	5,880	5.0	80,680	10.6	6.8
100-200	6,850	16.1	137,400	24.3	16,490	21.9	120,910	24.7	12.0
200-500	2,350	5.5	289,770	17.6	53,490	24.4	236,280	16.5	18.5
500-1,000	340	0.8	675,950	5.9	156,460	10.3	519,490	5.2	23.2
More than 1,000	200	0.5	3,325,550	17.5	980,310	38.8	2,345,240	14.2	29.5
All	42,590	100.0	90,980	100.0	12,090	100.0	78,900	100.0	13.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

* 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.

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