

Table T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2021 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	*	**	0.0	0.1	0	0.0	0.5	0.5	2.5	2.5
Second Quintile	1.8	98.2	0.0	8.8	10	0.3	3.2	3.2	6.9	6.9
Middle Quintile	3.6	96.4	0.0	20.1	20	0.2	9.5	9.6	12.0	12.0
Fourth Quintile	6.8	93.2	0.0	31.9	40	0.2	18.4	18.4	15.8	15.8
Top Quintile	9.3	90.7	0.0	39.2	60	0.1	68.1	68.1	23.3	23.3
All	3.6	96.4	0.0	100.0	20	0.1	100.0	100.0	18.0	18.0
Addendum										
80-90	9.7	90.3	0.0	21.7	60	0.2	15.4	15.4	19.0	19.0
90-95	10.4	89.6	0.0	10.4	60	0.1	11.7	11.7	21.0	21.0
95-99	8.1	91.9	0.0	6.3	50	0.0	16.8	16.8	23.2	23.2
Top 1 Percent	3.7	96.3	0.0	0.8	20	0.0	24.3	24.2	29.1	29.1
Top 0.1 Percent	2.5	97.5	0.0	0.1	20	0.0	11.1	11.1	29.5	29.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2021 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	44,330	25.3	14,360	3.7	360	0.5	14,000	4.4	2.5	
Second Quintile	38,420	21.9	37,720	8.4	2,610	3.2	35,120	9.5	6.9	
Middle Quintile	35,490	20.2	69,900	14.3	8,390	9.5	61,510	15.3	12.0	
Fourth Quintile	29,440	16.8	123,180	20.9	19,450	18.4	103,740	21.4	15.8	
Top Quintile	24,680	14.1	369,800	52.6	86,150	68.1	283,640	49.2	23.3	
All	175,540	100.0	98,930	100.0	17,780	100.0	81,150	100.0	18.0	
Addendum										
80-90	12,740	7.3	198,810	14.6	37,710	15.4	161,100	14.4	19.0	
90-95	6,080	3.5	285,720	10.0	60,050	11.7	225,670	9.6	21.0	
95-99	4,720	2.7	478,680	13.0	111,000	16.8	367,680	12.2	23.2	
Top 1 Percent	1,150	0.7	2,264,120	15.0	659,620	24.3	1,604,500	12.9	29.1	
Top 0.1 Percent	120	0.1	10,033,740	6.8	2,963,020	11.1	7,070,720	5.8	29.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

Number of AMT Taxpayers (millions). Baseline: 0.1 Proposal: 0.1

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

(1) Calendar year. Baseline is the law effective before March 11, 2021, prior to enactment of H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit.

<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 2020 dollars): 20% \$25,500; 40% \$51,000; 60% \$91,100; 80% \$164,300; 90% \$240,900; 95% \$341,700; 99% \$799,100; 99.9% \$3,496,400.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.1	99.9	0.0	0.2	0	-0.1	-0.2	-0.2	-1.3	-1.3
Second Quintile	2.4	97.6	0.0	11.9	10	0.6	2.2	2.2	5.6	5.7
Middle Quintile	4.5	95.5	0.1	26.7	30	0.4	7.7	7.8	11.0	11.0
Fourth Quintile	6.2	93.9	0.0	33.1	40	0.2	17.6	17.7	15.4	15.4
Top Quintile	5.5	94.5	0.0	28.2	30	0.0	72.4	72.4	23.0	23.0
All	3.6	96.4	0.0	100.0	20	0.1	100.0	100.0	18.0	18.0
Addendum										
80-90	6.0	94.0	0.0	16.2	40	0.1	16.3	16.3	18.8	18.8
90-95	6.1	94.0	0.0	7.2	30	0.1	12.7	12.7	20.7	20.7
95-99	4.3	95.7	0.0	4.3	30	0.0	18.1	18.1	22.8	22.8
Top 1 Percent	2.4	97.6	0.0	0.6	20	0.0	25.3	25.3	28.9	28.9
Top 0.1 Percent	1.6	98.4	0.0	0.0	10	0.0	11.7	11.7	29.5	29.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	36,490	20.8	13,440	2.8	-180	-0.2	13,620	3.5	-1.3	
Second Quintile	36,000	20.5	33,640	7.0	1,890	2.2	31,750	8.0	5.6	
Middle Quintile	35,610	20.3	61,950	12.7	6,790	7.7	55,170	13.8	11.0	
Fourth Quintile	33,270	19.0	107,610	20.6	16,530	17.6	91,080	21.3	15.4	
Top Quintile	30,990	17.7	317,310	56.6	72,930	72.4	244,380	53.2	23.0	
All	#####	100.0	98,930	100.0	17,780	100.0	81,150	100.0	18.0	
Addendum										
80-90	15,870	9.0	170,750	15.6	32,130	16.3	138,620	15.4	18.8	
90-95	7,730	4.4	247,000	11.0	51,130	12.7	195,860	10.6	20.7	
95-99	6,000	3.4	413,540	14.3	94,220	18.1	319,320	13.4	22.8	
Top 1 Percent	1,390	0.8	1,961,220	15.8	566,420	25.3	1,394,800	13.7	28.9	
Top 0.1 Percent	140	0.1	8,687,600	7.1	2,562,710	11.7	6,124,890	6.1	29.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

Number of AMT Taxpayers (millions). Baseline: 0.1

Proposal: 0.1

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

(1) Calendar year. Baseline is the law effective before March 11, 2021, prior to enactment of H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit.

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.1	99.9	0.0	4.3	0	0.1	1.3	1.3	4.3	4.3
Second Quintile	0.4	99.6	0.0	38.4	*	0.1	5.7	5.7	8.1	8.1
Middle Quintile	0.3	99.7	0.0	35.7	*	0.1	13.5	13.5	12.0	12.0
Fourth Quintile	0.3	99.7	0.0	13.2	*	0.0	23.1	23.1	16.4	16.4
Top Quintile	0.2	99.8	0.0	8.5	*	0.0	56.1	56.1	23.2	23.2
All	0.3	99.8	0.0	100.0	*	0.0	100.0	100.0	16.7	16.7
Addendum										
80-90	0.3	99.7	0.0	7.4	*	0.0	16.4	16.4	19.6	19.6
90-95	0.2	99.8	0.0	0.9	*	0.0	10.2	10.2	20.9	20.9
95-99	*	**	0.0	0.2	0	0.0	12.9	12.9	23.2	23.2
Top 1 Percent	0.1	100.0	0.0	0.1	0	0.0	16.7	16.7	30.7	30.7
Top 0.1 Percent	0.2	99.8	0.0	0.1	*	0.0	8.1	8.1	31.2	31.2

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	22,170	26.4	10,360	5.1	440	1.3	9,910	5.9	4.3
Second Quintile	19,900	23.7	26,250	11.7	2,120	5.7	24,140	12.9	8.1
Middle Quintile	17,760	21.1	47,290	18.8	5,680	13.5	41,610	19.8	12.0
Fourth Quintile	13,450	16.0	78,330	23.5	12,830	23.1	65,490	23.6	16.4
Top Quintile	8,970	10.7	201,260	40.3	46,660	56.1	154,600	37.1	23.2
All	84,040	100.0	53,300	100.0	8,880	100.0	44,430	100.0	16.7
Addendum									
80-90	5,130	6.1	121,450	13.9	23,830	16.4	97,620	13.4	19.6
90-95	2,100	2.5	173,720	8.1	36,260	10.2	137,470	7.7	20.9
95-99	1,450	1.7	284,230	9.2	66,050	12.9	218,180	8.5	23.2
Top 1 Percent	290	0.3	1,396,970	9.0	428,950	16.7	968,020	7.5	30.7
Top 0.1 Percent	30	0.0	5,877,030	4.3	1,831,960	8.1	4,045,070	3.6	31.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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

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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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.0	100.0	0.0	0.0	0	0.0	-0.1	-0.1	-1.3	-1.3
Second Quintile	1.9	98.2	0.0	3.1	10	0.4	0.8	0.8	4.6	4.6
Middle Quintile	6.6	93.4	0.1	18.4	40	0.5	4.5	4.5	10.1	10.1
Fourth Quintile	10.1	89.9	0.1	39.8	60	0.3	14.7	14.7	14.7	14.7
Top Quintile	7.7	92.3	0.0	38.7	50	0.1	79.9	79.8	22.9	22.9
All	6.4	93.6	0.0	100.0	40	0.1	100.0	100.0	19.3	19.4
Addendum										
80-90	8.7	91.3	0.0	21.9	60	0.2	16.6	16.6	18.5	18.5
90-95	8.4	91.7	0.0	10.0	50	0.1	14.0	14.0	20.7	20.7
95-99	5.6	94.4	0.0	6.0	30	0.0	21.0	21.0	22.6	22.6
Top 1 Percent	3.0	97.0	0.0	0.8	20	0.0	28.3	28.3	28.6	28.6
Top 0.1 Percent	2.0	98.0	0.0	0.1	10	0.0	12.4	12.3	29.4	29.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	6,720	10.4	18,100	1.1	-230	-0.1	18,330	1.4	-1.3	
Second Quintile	8,250	12.8	44,640	3.3	2,060	0.8	42,580	3.9	4.6	
Middle Quintile	11,880	18.4	80,790	8.6	8,150	4.5	72,640	9.6	10.1	
Fourth Quintile	16,260	25.2	132,250	19.3	19,420	14.7	112,830	20.4	14.7	
Top Quintile	20,330	31.5	369,310	67.5	84,480	79.9	284,830	64.5	22.9	
All	64,640	100.0	172,110	100.0	33,270	100.0	138,840	100.0	19.3	
Addendum										
80-90	9,740	15.1	198,090	17.3	36,590	16.6	161,500	17.5	18.5	
90-95	5,230	8.1	278,760	13.1	57,570	14.0	221,200	12.9	20.7	
95-99	4,330	6.7	460,140	17.9	104,110	21.0	356,040	17.2	22.6	
Top 1 Percent	1,030	1.6	2,061,610	19.1	590,110	28.3	1,471,500	16.9	28.6	
Top 0.1 Percent	100	0.2	9,317,360	8.1	2,736,500	12.4	6,580,860	7.1	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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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Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.0	100.0	0.0	0.0	0	0.0	-10.4	-10.4	-11.4	-11.4
Second Quintile	8.8	91.2	0.1	29.5	40	4.7	4.4	4.5	2.1	2.2
Middle Quintile	15.4	84.6	0.1	45.1	90	1.3	24.8	24.9	10.2	10.3
Fourth Quintile	13.6	86.4	0.1	19.7	70	0.4	33.6	33.5	15.9	16.0
Top Quintile	11.6	88.4	0.0	5.8	50	0.1	47.7	47.4	22.8	22.9
All	8.2	91.8	0.1	100.0	40	0.7	100.0	100.0	10.4	10.5
Addendum										
80-90	12.3	87.7	0.0	3.7	50	0.2	15.9	15.8	19.5	19.5
90-95	10.2	89.8	0.0	1.3	50	0.1	8.8	8.8	20.6	20.6
95-99	11.8	88.2	0.0	0.7	60	0.1	7.1	7.0	24.6	24.7
Top 1 Percent	7.7	92.3	0.0	0.1	50	0.0	15.9	15.8	28.7	28.7
Top 0.1 Percent	8.9	91.1	0.0	0.0	60	0.0	10.1	10.0	28.3	28.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	7,200	30.8	18,650	9.5	-2,130	-10.4	20,780	11.9	-11.4	
Second Quintile	7,210	30.9	41,740	21.4	890	4.4	40,850	23.4	2.1	
Middle Quintile	5,010	21.4	71,080	25.3	7,240	24.8	63,840	25.4	10.2	
Fourth Quintile	2,760	11.8	112,020	21.9	17,860	33.6	94,160	20.6	15.9	
Top Quintile	1,110	4.7	275,840	21.7	63,000	47.7	212,840	18.7	22.8	
All	23,380	100.0	60,200	100.0	6,270	100.0	53,930	100.0	10.4	
Addendum										
80-90	710	3.0	169,800	8.5	33,030	15.9	136,770	7.6	19.5	
90-95	270	1.2	232,750	4.5	47,850	8.8	184,900	4.0	20.6	
95-99	110	0.5	396,140	3.0	97,620	7.1	298,530	2.5	24.6	
Top 1 Percent	30	0.1	2,920,150	5.8	836,940	15.9	2,083,210	4.6	28.7	
Top 0.1 Percent	*	0.0	15,848,880	3.7	4,481,430	10.1	11,367,450	3.0	28.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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

(1) Calendar year. Baseline is the law effective before March 11, 2021, prior to enactment of H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit.

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.2	99.8	0.0	0.2	0	0.0	-1.8	-1.8	-10.7	-10.7
Second Quintile	7.6	92.4	0.1	11.9	40	2.9	1.1	1.2	2.9	3.0
Middle Quintile	15.3	84.7	0.1	26.6	90	1.0	7.7	7.7	11.3	11.4
Fourth Quintile	20.5	79.5	0.1	33.1	120	0.5	18.3	18.3	16.5	16.6
Top Quintile	18.2	81.9	0.0	28.3	110	0.1	74.6	74.5	24.4	24.4
All	11.8	88.2	0.1	100.0	70	0.3	100.0	100.0	18.5	18.6
Addendum										
80-90	20.0	80.1	0.1	16.3	120	0.3	16.5	16.5	20.2	20.2
90-95	20.1	80.0	0.0	7.2	110	0.2	12.8	12.8	22.2	22.3
95-99	13.9	86.1	0.0	4.2	80	0.1	18.6	18.5	24.5	24.5
Top 1 Percent	7.0	93.0	0.0	0.6	40	0.0	26.8	26.7	29.6	29.6
Top 0.1 Percent	5.0	95.0	0.0	0.0	30	0.0	11.6	11.6	29.4	29.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	11,570	21.8	19,630	3.2	-2,090	-1.8	21,720	4.4	-10.7	
Second Quintile	11,250	21.2	45,490	7.2	1,330	1.1	44,160	8.6	2.9	
Middle Quintile	10,590	20.0	84,140	12.6	9,470	7.7	74,670	13.7	11.3	
Fourth Quintile	9,970	18.8	145,410	20.5	24,040	18.3	121,370	21.0	16.5	
Top Quintile	9,420	17.7	425,870	56.6	103,910	74.6	321,960	52.6	24.4	
All	53,110	100.0	133,330	100.0	24,700	100.0	108,630	100.0	18.5	
Addendum										
80-90	4,780	9.0	224,880	15.2	45,320	16.5	179,560	14.9	20.2	
90-95	2,330	4.4	323,350	10.6	71,900	12.8	251,440	10.2	22.2	
95-99	1,830	3.5	542,370	14.0	132,680	18.6	409,690	13.0	24.5	
Top 1 Percent	480	0.9	2,491,550	16.8	736,350	26.8	1,755,200	14.5	29.6	
Top 0.1 Percent	50	0.1	11,176,090	7.3	3,283,110	11.6	7,892,980	6.3	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

* 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 effective before March 11, 2021, prior to enactment of H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit.

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0047
Tax Benefit of the Child and Dependent Care Tax Credit under
Pre-American Rescue Plan Act Law
Baseline: Pre-American Rescue Plan Act Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.0	100.0	0.0	0.0	0	0.0	0.1	0.1	1.0	1.0
Second Quintile	*	**	0.0	-16.1	0	0.0	1.1	1.1	1.9	1.9
Middle Quintile	0.1	99.9	0.0	19.5	0	0.0	4.8	4.8	4.5	4.5
Fourth Quintile	0.2	99.8	0.0	47.4	0	0.0	13.8	13.8	9.1	9.1
Top Quintile	0.1	99.9	0.0	49.3	0	0.0	79.6	79.6	20.3	20.3
All	0.1	99.9	0.0	100.0	0	0.0	100.0	100.0	13.8	13.8
Addendum										
80-90	0.1	100.0	0.0	66.6	*	0.0	14.0	14.0	13.8	13.8
90-95	0.1	99.9	0.0	3.6	0	0.0	11.5	11.5	16.3	16.3
95-99	0.2	99.8	0.0	-16.9	*	0.0	17.9	17.9	19.5	19.5
Top 1 Percent	0.2	99.8	0.0	-4.1	*	0.0	36.2	36.2	28.3	28.3
Top 0.1 Percent	0.1	99.9	0.0	-0.2	0	0.0	19.4	19.4	29.4	29.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 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	5,730	12.9	12,910	1.8	120	0.1	12,780	2.1	1.0	
Second Quintile	10,360	23.4	30,380	7.8	570	1.1	29,810	8.9	1.9	
Middle Quintile	10,540	23.8	55,870	14.6	2,530	4.8	53,340	16.2	4.5	
Fourth Quintile	8,700	19.6	96,250	20.8	8,780	13.8	87,470	21.9	9.1	
Top Quintile	7,170	16.2	302,980	53.9	61,520	79.6	241,460	49.9	20.3	
All	44,350	100.0	90,750	100.0	12,490	100.0	78,260	100.0	13.8	
Addendum										
80-90	3,690	8.3	153,020	14.0	21,060	14.0	131,960	14.0	13.8	
90-95	1,770	4.0	220,110	9.7	35,860	11.5	184,260	9.4	16.3	
95-99	1,350	3.0	376,490	12.6	73,540	17.9	302,960	11.8	19.5	
Top 1 Percent	360	0.8	1,989,170	17.6	562,370	36.2	1,426,810	14.7	28.3	
Top 0.1 Percent	50	0.1	7,943,040	9.1	2,333,800	19.4	5,609,240	7.4	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

* 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.

(1) Calendar year. Baseline is the law effective before March 11, 2021, prior to enactment of H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit.

<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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(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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.