

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

Table T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2026 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	14.4	-3,700	0.6	1,200	3.0	15.6	-530	-2.9	0.5
Second Quintile	26.2	-3,570	1.2	1,310	2.2	22.7	-920	-2.0	6.8
Middle Quintile	25.9	-3,510	0.9	1,000	1.2	21.2	-900	-1.0	13.6
Fourth Quintile	33.9	-3,880	0.3	820	1.1	25.3	-1,320	-0.9	17.5
Top Quintile	25.0	-3,780	*	**	0.3	14.8	-950	-0.2	26.4
All	24.1	-3,680	0.7	1,160	0.9	100.0	-880	-0.7	20.2
Addendum									
80-90	39.1	-3,940	*	**	0.8	12.3	-1,540	-0.6	20.8
90-95	18.9	-3,160	0.0	0	0.2	2.3	-600	-0.2	23.6
95-99	1.4	-2,570	0.0	0	0.0	0.1	-40	0.0	27.3
Top 1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	32.6
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	33.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

Number of AMT Taxpayers (millions). Baseline: 7.2

Proposal: 7.2

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$27,600; 40% \$54,500; 60% \$98,000; 80% \$180,100; 90% \$262,200; 95% \$380,000; 99% \$879,400; 99.9% \$4,044,100.

(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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2026 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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	14.4	0.6	3.0	15.6	-530	-85.6	-0.5	0.1	-2.9	0.5
Second Quintile	26.2	1.2	2.2	22.7	-920	-22.5	-0.7	2.7	-2.0	6.8
Middle Quintile	25.9	0.9	1.2	21.2	-900	-7.1	-0.4	9.7	-1.0	13.6
Fourth Quintile	33.9	0.3	1.1	25.3	-1,320	-4.7	-0.2	18.2	-0.9	17.5
Top Quintile	25.0	*	0.3	14.8	-950	-0.7	1.8	69.0	-0.2	26.4
All	24.1	0.7	0.9	100.0	-880	-3.4	0.0	100.0	-0.7	20.2
Addendum										
80-90	39.1	*	0.8	12.3	-1,540	-2.9	0.1	14.6	-0.6	20.8
90-95	18.9	0.0	0.2	2.3	-600	-0.7	0.3	11.7	-0.2	23.6
95-99	1.4	0.0	0.0	0.1	-40	0.0	0.6	17.3	0.0	27.3
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.9	25.4	0.0	32.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.4	12.3	0.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2026 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	48,270	26.1	18,450	3.9	620	0.6	17,840	4.7	3.3	
Second Quintile	40,270	21.7	46,350	8.1	4,090	3.4	42,270	9.3	8.8	
Middle Quintile	38,410	20.7	86,510	14.4	12,690	10.1	73,820	15.5	14.7	
Fourth Quintile	31,330	16.9	153,930	20.9	28,290	18.4	125,640	21.6	18.4	
Top Quintile	25,460	13.7	476,950	52.7	127,060	67.1	349,880	48.8	26.6	
All	#####	100.0	124,480	100.0	26,010	100.0	98,470	100.0	20.9	
Addendum										
80-90	13,040	7.0	250,570	14.2	53,710	14.5	196,850	14.1	21.4	
90-95	6,400	3.5	359,840	10.0	85,570	11.4	274,270	9.6	23.8	
95-99	4,840	2.6	610,450	12.8	166,860	16.8	443,590	11.8	27.3	
Top 1 Percent	1,180	0.6	3,056,980	15.7	996,390	24.5	2,060,590	13.4	32.6	
Top 0.1 Percent	120	0.1	14,375,570	7.5	4,745,640	11.9	9,629,930	6.4	33.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

Number of AMT Taxpayers (millions). Baseline: 7.2 Proposal: 7.2

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

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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

<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% \$27,600; 40% \$54,500; 60% \$98,000; 80% \$180,100; 90% \$262,200; 95% \$380,000; 99% \$879,400; 99.9% \$4,044,100.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	23.3	1.1	5.4	23.3	-950	-1,822.1	-0.8	-0.8	-5.4	-5.1
Second Quintile	28.7	1.2	2.7	24.2	-1,030	-30.7	-0.8	1.9	-2.5	5.6
Middle Quintile	27.5	0.8	1.5	22.6	-980	-9.7	-0.5	7.4	-1.3	11.8
Fourth Quintile	28.0	0.2	1.0	23.0	-1,060	-4.4	-0.2	17.4	-0.8	17.1
Top Quintile	12.0	*	0.1	6.4	-320	-0.3	2.3	73.8	-0.1	26.2
All	24.1	0.7	0.9	100.0	-880	-3.4	0.0	100.0	-0.7	20.2
Addendum										
80-90	21.5	*	0.4	6.0	-600	-1.3	0.3	15.9	-0.3	20.9
90-95	3.7	0.0	0.0	0.3	-70	-0.1	0.4	12.6	0.0	23.5
95-99	0.2	0.0	0.0	0.0	-10	0.0	0.6	18.8	0.0	26.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.9	26.5	0.0	32.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.4	12.9	0.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	40,200	21.7	17,480	3.1	50	0.0	17,430	3.8	0.3	
Second Quintile	38,410	20.7	41,500	6.9	3,350	2.7	38,150	8.0	8.1	
Middle Quintile	37,700	20.4	77,520	12.7	10,110	7.9	67,410	13.9	13.0	
Fourth Quintile	35,220	19.0	134,340	20.5	24,040	17.6	110,300	21.3	17.9	
Top Quintile	32,200	17.4	406,660	56.8	106,960	71.5	299,700	52.9	26.3	
All	#####	#####	124,480	100.0	26,010	100.0	98,470	100.0	20.9	
Addendum										
80-90	16,500	8.9	214,460	15.4	45,470	15.6	168,990	15.3	21.2	
90-95	8,040	4.3	310,550	10.8	73,030	12.2	237,510	10.5	23.5	
95-99	6,200	3.4	524,480	14.1	140,970	18.1	383,510	13.0	26.9	
Top 1 Percent	1,460	0.8	2,607,010	16.5	844,150	25.6	1,762,860	14.1	32.4	
Top 0.1 Percent	150	0.1	#####	7.9	4,124,620	12.4	8,374,600	6.7	33.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

Number of AMT Taxpayers (millions). Baseline: 7.2 Proposal: 7.2

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

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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

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	6.6	0.3	1.7	56.8	-220	-40.8	-0.5	0.7	-1.6	2.3
Second Quintile	4.6	0.2	0.4	24.7	-120	-3.9	-0.2	5.2	-0.4	8.8
Middle Quintile	2.9	0.1	0.1	13.2	-70	-0.8	0.0	13.2	-0.1	13.7
Fourth Quintile	1.5	*	0.0	4.5	-30	-0.2	0.2	24.2	0.0	19.1
Top Quintile	0.3	0.0	0.0	0.4	*	0.0	0.5	56.5	0.0	26.7
All	3.8	0.1	0.2	100.0	-110	-0.8	0.0	100.0	-0.2	19.0
Addendum										
80-90	0.3	0.0	0.0	0.3	-10	0.0	0.1	15.9	0.0	22.7
90-95	0.2	0.0	0.0	0.1	*	0.0	0.1	10.5	0.0	24.4
95-99	*	0.0	0.0	0.0	0	0.0	0.1	13.7	0.0	27.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	16.4	0.0	33.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	7.8	0.0	34.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	25,690	28.2	13,920	5.8	540	1.2	13,380	6.9	3.9	
Second Quintile	20,990	23.1	32,930	11.2	3,000	5.3	29,930	12.6	9.1	
Middle Quintile	18,880	20.8	59,700	18.3	8,230	13.2	51,470	19.6	13.8	
Fourth Quintile	15,020	16.5	98,770	24.1	18,910	24.1	79,860	24.1	19.1	
Top Quintile	9,580	10.5	258,540	40.3	69,000	56.0	189,540	36.5	26.7	
All	90,980	100.0	67,570	100.0	12,970	100.0	54,600	100.0	19.2	
Addendum										
80-90	5,350	5.9	153,190	13.3	34,760	15.8	118,420	12.8	22.7	
90-95	2,290	2.5	220,250	8.2	53,680	10.4	166,560	7.7	24.4	
95-99	1,610	1.8	364,290	9.5	99,720	13.6	264,570	8.6	27.4	
Top 1 Percent	330	0.4	1,708,260	9.2	577,520	16.2	1,130,730	7.6	33.8	
Top 0.1 Percent	30	0.0	8,398,660	4.2	2,926,200	7.7	5,472,460	3.4	34.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 ¹
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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	28.4	1.1	6.6	12.6	-1,520	-782.9	-0.3	-0.3	-6.5	-5.7
Second Quintile	33.1	1.5	3.0	15.6	-1,490	-42.1	-0.4	0.6	-2.8	3.8
Middle Quintile	38.8	0.8	1.9	24.2	-1,670	-13.9	-0.5	4.1	-1.7	10.3
Fourth Quintile	44.1	0.1	1.3	35.7	-1,860	-6.6	-0.6	13.8	-1.1	15.8
Top Quintile	16.9	0.0	0.1	11.3	-470	-0.4	1.9	81.5	-0.1	26.0
All	31.3	0.5	0.8	100.0	-1,300	-2.7	0.0	100.0	-0.6	21.7
Addendum										
80-90	32.1	0.0	0.5	10.7	-910	-1.8	0.1	16.1	-0.4	20.2
90-95	5.1	0.0	0.0	0.6	-90	-0.1	0.4	13.8	0.0	23.2
95-99	0.3	0.0	0.0	0.0	-10	0.0	0.6	21.6	0.0	26.7
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.8	30.1	0.0	32.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.4	14.0	0.0	32.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,140	10.8	23,360	1.2	190	0.0	23,170	1.5	0.8	
Second Quintile	8,970	13.6	53,730	3.3	3,540	1.0	50,190	4.0	6.6	
Middle Quintile	12,420	18.8	100,440	8.6	11,970	4.6	88,480	9.8	11.9	
Fourth Quintile	16,450	24.9	167,150	19.0	28,340	14.4	138,810	20.3	17.0	
Top Quintile	20,650	31.2	477,430	68.0	124,810	79.6	352,620	64.6	26.1	
All	66,160	100.0	219,250	100.0	48,920	100.0	170,330	100.0	22.3	
Addendum										
80-90	10,020	15.1	249,640	17.2	51,400	15.9	198,240	17.6	20.6	
90-95	5,280	8.0	353,930	12.9	82,310	13.4	271,630	12.7	23.3	
95-99	4,310	6.5	590,450	17.5	157,880	21.0	432,570	16.5	26.7	
Top 1 Percent	1,050	1.6	2,819,830	20.3	907,140	29.3	1,912,690	17.7	32.2	
Top 0.1 Percent	100	0.2	13,361,240	9.3	4,375,930	13.6	8,985,310	8.0	32.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	80.7	4.1	11.5	32.6	-3,070	152.2	-13.1	-18.6	-12.4	-20.6
Second Quintile	90.9	3.9	6.4	35.1	-3,050	-79.7	-8.2	3.1	-6.0	1.5
Middle Quintile	90.7	3.0	3.5	21.8	-2,690	-22.1	1.2	26.3	-3.0	10.5
Fourth Quintile	83.0	1.0	2.0	9.3	-2,250	-8.2	6.7	35.6	-1.6	17.5
Top Quintile	31.4	0.3	0.2	1.1	-650	-0.7	13.4	53.5	-0.2	25.7
All	84.2	3.2	4.2	100.0	-2,770	-25.6	0.0	100.0	-3.6	10.5
Addendum										
80-90	46.8	0.4	0.6	1.0	-970	-2.0	4.0	16.5	-0.5	21.6
90-95	9.2	0.0	0.1	0.1	-200	-0.3	2.4	9.3	-0.1	23.0
95-99	2.6	0.0	0.0	0.0	-50	0.0	2.1	8.1	0.0	26.7
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	5.0	19.6	0.0	32.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	3.3	12.9	0.0	32.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,920	29.4	24,750	9.5	-2,020	-5.5	26,770	11.9	-8.2	
Second Quintile	7,510	31.9	51,200	21.2	3,820	11.3	47,380	22.9	7.5	
Middle Quintile	5,280	22.4	89,870	26.2	12,150	25.2	77,720	26.3	13.5	
Fourth Quintile	2,700	11.5	143,110	21.3	27,340	28.9	115,770	20.0	19.1	
Top Quintile	1,090	4.6	364,270	21.8	94,190	40.1	270,080	18.8	25.9	
All	23,540	100.0	77,010	100.0	10,830	100.0	66,180	100.0	14.1	
Addendum										
80-90	670	2.8	216,980	8.0	47,850	12.6	169,140	7.3	22.1	
90-95	270	1.1	286,560	4.2	66,120	7.0	220,430	3.8	23.1	
95-99	110	0.5	503,080	3.2	134,140	6.0	368,930	2.7	26.7	
Top 1 Percent	30	0.1	3,437,390	6.4	1,102,540	14.6	2,334,850	5.1	32.1	
Top 0.1 Percent	*	0.0	21,124,470	4.1	6,910,840	9.6	14,213,630	3.2	32.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is the law in place for 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	82.7	3.9	12.4	23.4	-3,380	184.2	-2.1	-3.2	-13.3	-20.5
Second Quintile	91.7	4.1	6.7	24.2	-3,380	-76.3	-1.9	0.7	-6.1	1.9
Middle Quintile	94.9	2.7	3.9	22.6	-3,530	-23.5	-1.3	6.4	-3.4	10.9
Fourth Quintile	96.2	0.5	2.5	23.0	-3,790	-10.6	-0.5	17.0	-2.0	17.3
Top Quintile	39.8	*	0.3	6.4	-1,080	-0.7	5.8	78.8	-0.2	27.3
All	81.7	2.4	2.3	100.0	-3,070	-8.1	0.0	100.0	-1.8	20.2
Addendum										
80-90	72.7	0.1	0.9	6.1	-2,030	-3.2	0.8	16.2	-0.7	21.7
90-95	12.5	0.0	0.1	0.3	-230	-0.2	1.0	13.2	-0.1	24.9
95-99	0.8	0.0	0.0	0.0	-20	0.0	1.7	20.5	0.0	28.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	2.3	29.0	0.0	32.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.1	13.3	0.0	32.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	11,250	21.3	25,390	3.1	-1,830	-1.0	27,230	4.3	-7.2	
Second Quintile	11,600	21.9	55,290	7.0	4,430	2.6	50,860	8.2	8.0	
Middle Quintile	10,360	19.6	105,430	11.9	15,020	7.7	90,410	13.1	14.3	
Fourth Quintile	9,830	18.6	185,460	19.9	35,860	17.5	149,590	20.5	19.3	
Top Quintile	9,660	18.3	552,800	58.2	152,140	73.0	400,660	54.0	27.5	
All	52,930	#####	173,370	100.0	38,040	100.0	135,330	100.0	21.9	
Addendum										
80-90	4,850	9.2	284,420	15.0	63,690	15.4	220,720	15.0	22.4	
90-95	2,390	4.5	410,650	10.7	102,400	12.2	308,240	10.3	24.9	
95-99	1,930	3.7	691,330	14.6	196,100	18.8	495,230	13.4	28.4	
Top 1 Percent	490	0.9	3,374,160	17.9	1,102,870	26.7	2,271,280	15.4	32.7	
Top 0.1 Percent	50	0.1	#####	8.2	5,155,070	12.2	#####	7.1	32.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

* 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 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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 T21-0193
Extend \$3,000 CTC with ARP Phase-Outs
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
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 ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.9	*	0.4	15.9	-70	-36.7	-0.1	0.1	-0.4	0.7
Second Quintile	3.6	0.2	0.3	31.6	-110	-9.3	-0.1	1.4	-0.3	2.7
Middle Quintile	3.8	0.1	0.2	27.8	-100	-1.9	-0.1	6.7	-0.1	7.0
Fourth Quintile	3.6	*	0.1	19.3	-90	-0.6	0.0	15.1	-0.1	12.3
Top Quintile	1.1	0.0	0.0	4.1	-30	0.0	0.3	76.0	0.0	24.6
All	3.0	0.1	0.1	100.0	-80	-0.5	0.0	100.0	-0.1	16.6
Addendum										
80-90	1.9	0.0	0.0	3.9	-40	-0.1	0.0	13.4	0.0	16.8
90-95	0.3	0.0	0.0	0.2	-10	0.0	0.0	9.7	0.0	19.7
95-99	*	0.0	0.0	0.0	*	0.0	0.1	17.2	0.0	24.8
Top 1 Percent	*	0.0	0.0	0.0	0	0.0	0.2	35.6	0.0	32.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	19.9	0.0	32.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,420	20.0	17,240	3.3	180	0.2	17,060	3.9	1.0	
Second Quintile	12,670	24.3	37,970	8.8	1,130	1.6	36,830	10.3	3.0	
Middle Quintile	12,230	23.5	71,140	15.9	5,060	6.8	66,080	17.8	7.1	
Fourth Quintile	9,160	17.6	122,180	20.5	15,070	15.2	107,120	21.6	12.3	
Top Quintile	7,030	13.5	398,700	51.4	97,950	75.6	300,750	46.5	24.6	
All	52,130	#####	104,680	100.0	17,470	100.0	87,210	100.0	16.7	
Addendum										
80-90	3,740	7.2	194,610	13.3	32,640	13.4	161,970	13.3	16.8	
90-95	1,600	3.1	278,810	8.2	54,820	9.6	223,990	7.9	19.7	
95-99	1,320	2.5	476,070	11.5	118,030	17.1	358,040	10.4	24.8	
Top 1 Percent	380	0.7	2,672,710	18.4	862,440	35.5	1,810,270	14.9	32.3	
Top 0.1 Percent	50	0.1	#####	10.1	3,870,840	19.8	7,896,770	8.1	32.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

* 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 2026 as of Sept 1, 2021. Proposal would: increase the per child amount from \$1,000 to \$3,000 (\$3,600 for qualified children under age 6); extend eligibility to qualified 17 year olds; make the CTC fully refundable regardless of income; make permanent the Social Security Number (SSN) requirements; and make permanent the \$500 non-refundable credit for other dependents. The proposal would repeal the phase-down of the credit increase enacted by the American Rescue Plan (ARP) and change the phase-out thresholds for the entire credit amount from \$110,000 for married couples (\$75,000 for singles and \$55,000 for married individuals filing separate returns) to \$150,000 for married couples, \$112,500 for heads of household, and \$75,000 for others. The credit would be reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds the applicable threshold. Proposal would be effective 01/01/2022.

<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% \$19,300; 40% \$37,900; 60% \$66,000; 80% \$110,600; 90% \$160,100; 95% \$226,200; 99% \$513,900; 99.9% \$2,312,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change 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.