

Table T07-0160
EGTRRA Changes to Child and Dependent Care Tax Credit (CDCTC)
Returns and Amount Reported Compared to Pre-EGTRRA Law, 2006¹

Cash Income Class (thousands of 2006 dollars) ^{2,3}	Pre-EGTRRA Law					Current Law					Change Due to EGTRRA					
	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit	
	Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percentage	Amount (\$ millions)	Percentage	Dollars	Percentage
Less than 10	0	0.0	0.0	0.0	n/a	0	0.0	0.0	0.0	n/a	0	n/a	0.0	n/a	n/a	n/a
10-20	125	2.0	28.0	1.0	224	125	2.0	29.2	0.9	235	0	0.0	1.3	4.6	10	4.6
20-30	602	9.5	244.7	8.6	406	604	9.6	317.2	9.3	525	2	0.3	72.5	29.6	119	29.2
30-40	760	12.0	323.9	11.4	426	762	12.1	456.8	13.4	599	2	0.3	133.0	41.1	173	40.7
40-50	573	9.1	260.8	9.2	455	573	9.1	332.0	9.7	580	0	0.0	71.1	27.3	124	27.3
50-75	1,399	22.1	653.9	23.0	467	1,399	22.1	749.2	21.9	536	0	0.0	95.3	14.6	68	14.6
75-100	1,099	17.4	505.5	17.8	460	1,099	17.4	574.9	16.8	523	0	0.0	69.4	13.7	63	13.7
100-200	1,447	22.9	676.4	23.8	468	1,447	22.9	778.5	22.8	538	0	0.0	102.1	15.1	71	15.1
200-500	278	4.4	133.3	4.7	480	278	4.4	155.0	4.5	558	0	0.0	21.7	16.3	78	16.3
500-1,000	28	0.4	13.0	0.5	470	28	0.4	15.1	0.4	546	0	0.0	2.1	16.3	77	16.3
More than 1,000	10	0.2	5.8	0.2	587	10	0.2	6.9	0.2	700	0	0.0	1.1	19.1	112	19.1
All	6,319	100.0	2,845.2	100.0	450	6,323	100.0	3,414.9	100.0	540	4	0.1	569.7	20.0	90	19.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

(1) Calendar year. Baseline is current law but without the changes made to the Child and Dependent Care Tax Credit (CDCTC) by EGTRRA. EGTRRA makes the following changes to the CDCTC: increase the maximum credit rate from 30 to 35 percent; increase allowable expenses from \$2,400 to \$3,000 for one eligible individual and to \$6,000 from \$4,800 for two or more eligible individuals; increase the start of the phasedown of the credit rate from \$10,000 to \$15,000 of AGI.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) Earnings are defined as the sum of wages and salaries plus self-employment income less the deduction for self-employment taxes. For married tax units, both spouses must have positive earnings.