

Table 09-0008
Repeal Age Limitations on Childless EITC Under Current Law, All Tax Units
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
Summary Table

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 (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Lowest Quintile	5.5	0.1	0.1	102.1	-14	-0.1	4.5
Second Quintile	0.1	0.3	0.0	-2.2	0	0.0	10.6
Middle Quintile	0.0	0.1	0.0	-0.3	0	0.0	16.8
Fourth Quintile	0.0	0.0	0.0	-0.1	0	0.0	19.8
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	26.2
All	1.5	0.1	0.0	100.0	-4	0.0	21.7
Addendum							
80-90	0.0	0.0	0.0	0.0	0	0.0	22.7
90-95	0.0	0.0	0.0	0.0	0	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	26.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	29.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	31.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Support for these estimates was provided by the AARP Public Policy Institute.

Number of AMT Taxpayers (millions). Baseline: 30.3

Proposal: 30.3

(1) Calendar year. Baseline is current law. The proposal removes the age limits on childless EITC eligibility and assumes that non-taxable social security benefits are included in AGI for the purposes of determining the phase-out of the childless EITC. Tax units under the age of 25 are ineligible for the childless EITC if they are full time students. Married filing joint tax units are ineligible if both are under the age of 25 and both are full time students.

(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) The cash 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 2008 dollars): 20% \$18,981, 40% \$37,595, 60% \$66,354, 80% \$111,645, 90% \$160,972, 95% \$226,918, 99% \$603,402, 99.9% \$2,871,682.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 09-0008
Repeal Age Limitations on Childless EITC Under Current Law, All Tax Units
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
Detail Table

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 ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	5.5	0.1	0.1	102.1	-14	-2.8	0.0	0.8	-0.1	4.5
Second Quintile	0.1	0.3	0.0	-2.2	0	0.0	0.0	4.0	0.0	10.6
Middle Quintile	0.0	0.1	0.0	-0.3	0	0.0	0.0	10.7	0.0	16.8
Fourth Quintile	0.0	0.0	0.0	-0.1	0	0.0	0.0	17.9	0.0	19.8
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	66.6	0.0	26.2
All	1.5	0.1	0.0	100.0	-4	0.0	0.0	100.0	0.0	21.7
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	14.1	0.0	22.7
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.4	0.0	24.4
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	16.3	0.0	26.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	25.7	0.0	29.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.0	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	39,102	26.0	10,744	501	10,243	4.7	3.7	4.5	0.8
Second Quintile	32,942	21.9	28,057	2,980	25,076	10.6	8.2	9.3	4.0
Middle Quintile	30,075	20.0	51,924	8,717	43,207	16.8	13.8	14.7	10.7
Fourth Quintile	25,152	16.7	87,992	17,415	70,577	19.8	19.6	20.0	17.9
Top Quintile	22,287	14.8	279,244	73,229	206,015	26.2	55.0	51.8	66.5
All	150,241	100.0	75,289	16,327	58,962	21.7	100.0	100.0	100.0
Addendum									
80-90	11,264	7.5	135,143	30,642	104,500	22.7	13.5	13.3	14.1
90-95	5,439	3.6	192,266	46,915	145,351	24.4	9.3	8.9	10.4
95-99	4,454	3.0	340,985	89,899	251,086	26.4	13.4	12.6	16.3
Top 1 Percent	1,131	0.8	1,889,937	558,384	1,331,553	29.6	18.9	17.0	25.7
Top 0.1 Percent	114	0.1	8,929,410	2,798,307	6,131,103	31.3	9.0	7.9	13.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Support for these estimates was provided by the AARP Public Policy Institute.

Number of AMT Taxpayers (millions). Baseline: 30.3

Proposal: 30.3

(1) Calendar year. Baseline is current law. The proposal removes the age limits on childless EITC eligibility and assumes that non-taxable social security benefits are included in AGI for the purposes of determining the phase-out of the childless EITC. Tax units under the age of 25 are ineligible for the childless EITC if they are full time students. Married filing joint tax units are ineligible if both are under the age of 25 and both are full time students.

(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) The cash 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 2008 dollars): 20% \$18,981, 40% \$37,595, 60% \$66,354, 80% \$111,645, 90% \$160,972, 95% \$226,918, 99% \$603,402, 99.9% \$2,871,682.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.