

**Table T09-0017**  
**Repeal Age Limitations on Childless EITC Under President-elect Obama's Plan, All Tax Units**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2009 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
<b>Lowest Quintile</b>	7.5	0.1	0.3	96.9	-30	-0.3	4.0
<b>Second Quintile</b>	1.5	0.4	0.0	4.0	-1	0.0	10.4
<b>Middle Quintile</b>	0.0	0.2	0.0	-1.2	0	0.0	16.7
<b>Fourth Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	19.8
<b>Top Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	26.2
<b>All</b>	2.3	0.1	0.0	100.0	-8	0.0	21.6
<b>Addendum</b>							
<b>80-90</b>	0.0	0.0	0.0	0.0	0	0.0	22.7
<b>90-95</b>	0.0	0.0	0.0	0.0	0	0.0	24.4
<b>95-99</b>	0.0	0.0	0.0	0.0	0	0.0	26.4
<b>Top 1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	29.6
<b>Top 0.1 Percent</b>	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 President-elect Obama's expansion of the childless EITC fully phased in. Obama's plan increases the value of the childless credit by raising the maximum value of the credit to \$550 by 2012 (\$520 in 2009 dollars). 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.

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**Distribution of Federal Tax Change by Cash Income Percentile, 2009<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	7.5	0.1	0.3	96.9	-30	-6.5	-0.1	0.7	-0.3	4.0
<b>Second Quintile</b>	1.5	0.4	0.0	4.0	-1	-0.1	0.0	3.9	0.0	10.4
<b>Middle Quintile</b>	0.0	0.2	0.0	-1.2	0	0.0	0.0	10.7	0.0	16.7
<b>Fourth Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	17.9	0.0	19.8
<b>Top Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	66.7	0.0	26.2
<b>All</b>	2.3	0.1	0.0	100.0	-8	-0.1	0.0	100.0	0.0	21.6
<b>Addendum</b>										
<b>80-90</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	14.1	0.0	22.7
<b>90-95</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	10.4	0.0	24.4
<b>95-99</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	16.4	0.0	26.4
<b>Top 1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	25.8	0.0	29.6
<b>Top 0.1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	31.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2009<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	39,102	26.0	10,744	460	10,285	4.3	3.7	4.5	0.7
<b>Second Quintile</b>	32,942	21.9	28,057	2,922	25,135	10.4	8.2	9.3	3.9
<b>Middle Quintile</b>	30,075	20.0	51,924	8,681	43,243	16.7	13.8	14.7	10.7
<b>Fourth Quintile</b>	25,152	16.7	87,992	17,414	70,578	19.8	19.6	20.0	17.9
<b>Top Quintile</b>	22,287	14.8	279,244	73,229	206,015	26.2	55.0	51.8	66.7
<b>All</b>	150,241	100.0	75,289	16,296	58,993	21.6	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	11,264	7.5	135,143	30,642	104,501	22.7	13.5	13.3	14.1
<b>90-95</b>	5,439	3.6	192,266	46,915	145,351	24.4	9.3	8.9	10.4
<b>95-99</b>	4,454	3.0	340,985	89,899	251,086	26.4	13.4	12.6	16.4
<b>Top 1 Percent</b>	1,131	0.8	1,889,937	558,384	1,331,553	29.6	18.9	17.0	25.8
<b>Top 0.1 Percent</b>	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).

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