

**Table T09-0019**  
**Repeal Age Limitations on Childless EITC Under President-elect Obama's Plan, Tax Units 25-64 Years of Age**  
**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 (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	0.0	0.1	0.0	7.3	0	0.0	3.4
<b>Second Quintile</b>	0.0	0.5	0.0	65.8	2	0.0	11.0
<b>Middle Quintile</b>	0.0	0.2	0.0	24.9	1	0.0	17.8
<b>Fourth Quintile</b>	0.0	0.0	0.0	2.0	0	0.0	20.7
<b>Top Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	26.3
<b>All</b>	0.0	0.2	0.0	100.0	0	0.0	22.4
<b>Addendum</b>							
<b>80-90</b>	0.0	0.0	0.0	0.0	0	0.0	23.3
<b>90-95</b>	0.0	0.0	0.0	0.0	0	0.0	24.9
<b>95-99</b>	0.0	0.0	0.0	0.0	0	0.0	26.6
<b>Top 1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	29.3
<b>Top 0.1 Percent</b>	0.0	0.0	0.0	0.0	0	0.0	30.9

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

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

(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. Age refers to age of the head of the tax unit.

(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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**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
Lowest Quintile	0.0	0.1	0.0	7.3	0	0.1	0.0	0.4	0.0	3.4
Second Quintile	0.0	0.5	0.0	65.8	2	0.1	0.0	3.5	0.0	11.0
Middle Quintile	0.0	0.2	0.0	24.9	1	0.0	0.0	10.9	0.0	17.8
Fourth Quintile	0.0	0.0	0.0	2.0	0	0.0	0.0	18.9	0.0	20.7
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	66.1	0.0	26.3
All	0.0	0.2	0.0	100.0	0	0.0	0.0	100.0	0.0	22.4
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.1	0.0	23.3
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	24.9
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	16.3	0.0	26.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	23.7	0.0	29.3
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	30.9

**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							
Lowest Quintile	22,213	20.6	10,596	357	10,239	3.4	2.7	3.3	0.4
Second Quintile	22,221	20.7	28,501	3,119	25,382	10.9	7.1	8.2	3.5
Middle Quintile	23,488	21.8	51,925	9,261	42,664	17.8	13.7	14.6	10.9
Fourth Quintile	20,572	19.1	88,333	18,308	70,024	20.7	20.5	20.9	18.9
Top Quintile	18,566	17.3	269,100	70,813	198,286	26.3	56.3	53.5	66.1
All	107,627	100.0	82,458	18,476	63,982	22.4	100.0	100.0	100.0
<b>Addendum</b>									
80-90	9,513	8.8	135,199	31,495	103,703	23.3	14.5	14.3	15.1
90-95	4,621	4.3	192,087	47,777	144,310	24.9	10.0	9.7	11.1
95-99	3,576	3.3	339,364	90,388	248,976	26.6	13.7	12.9	16.3
Top 1 Percent	857	0.8	1,878,223	550,003	1,328,220	29.3	18.1	16.5	23.7
Top 0.1 Percent	85	0.1	8,988,615	2,780,714	6,207,902	30.9	8.6	7.7	11.9

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

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

(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. Age refers to age of the head of the tax unit.

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