

Table T09-0004
Repeal Age Limitations on Childless EITC Under Current Law, All Tax Units
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Summary Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	7.9	0.0	0.5	80.8	-26	-0.5	4.9
10-20	3.2	0.2	0.0	21.0	-5	0.0	4.6
20-30	0.1	0.3	0.0	-2.0	1	0.0	9.3
30-40	0.1	0.1	0.0	0.1	0	0.0	13.3
40-50	0.0	0.1	0.0	-0.2	0	0.0	15.9
50-75	0.0	0.0	0.0	-0.3	0	0.0	17.9
75-100	0.0	0.0	0.0	0.1	0	0.0	19.7
100-200	0.0	0.0	0.0	0.0	0	0.0	22.8
200-500	0.0	0.0	0.0	0.0	0	0.0	26.0
500-1,000	0.0	0.0	0.0	0.0	0	0.0	26.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	30.3
All	1.5	0.1	0.0	100.0	-4	0.0	21.7

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

Number of AMT Taxpayers (millions). Baseline: 30.3

Proposal: 30.3

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

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

(4) 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.

(5) 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 T09-0004
Repeal Age Limitations on Childless EITC Under Current Law, All Tax Units
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	7.9	0.0	0.5	80.8	-26	-8.4	0.0	0.2	-0.5	4.9
10-20	3.2	0.2	0.0	21.0	-5	-0.7	0.0	0.7	0.0	4.6
20-30	0.1	0.3	0.0	-2.0	1	0.0	0.0	1.9	0.0	9.3
30-40	0.1	0.1	0.0	0.1	0	0.0	0.0	2.8	0.0	13.3
40-50	0.0	0.1	0.0	-0.2	0	0.0	0.0	3.5	0.0	15.9
50-75	0.0	0.0	0.0	-0.3	0	0.0	0.0	10.0	0.0	17.9
75-100	0.0	0.0	0.0	0.1	0	0.0	0.0	10.1	0.0	19.7
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	25.3	0.0	22.8
200-500	0.0	0.0	0.0	0.0	0	0.0	0.0	17.5	0.0	26.0
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	7.5	0.0	26.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	20.6	0.0	30.3
All	1.5	0.1	0.0	100.0	-4	0.0	0.0	100.0	0.0	21.7

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

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	
Less than 10	17,204	11.5	5,704	303	5,401	5.3	0.9	1.1	0.2
10-20	24,101	16.0	15,181	707	14,474	4.7	3.2	3.9	0.7
20-30	19,493	13.0	25,314	2,361	22,953	9.3	4.4	5.1	1.9
30-40	14,384	9.6	35,555	4,726	30,828	13.3	4.5	5.0	2.8
40-50	11,749	7.8	45,838	7,290	38,547	15.9	4.8	5.1	3.5
50-75	21,662	14.4	63,039	11,304	51,734	17.9	12.1	12.7	10.0
75-100	14,107	9.4	88,790	17,494	71,296	19.7	11.1	11.4	10.1
100-200	19,712	13.1	138,154	31,466	106,688	22.8	24.1	23.7	25.3
200-500	5,636	3.8	291,886	75,924	215,962	26.0	14.5	13.7	17.4
500-1,000	989	0.7	695,069	186,351	508,717	26.8	6.1	5.7	7.5
More than 1,000	519	0.4	3,199,967	970,745	2,229,222	30.3	14.7	13.1	20.6
All	150,241	100.0	75,289	16,327	58,962	21.7	100.0	100.0	100.0

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

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