

T09-0038
Options for Reforming the Child Tax Credit (CTC)
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2009-18¹

	Year											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-18	
Option 1: Reduce threshold to \$0²												
Fiscal Year Revenue³	-1.7	-8.7	-6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-17.3
Calendar Year Liability	-8.7	-8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 #	0.0	-17.3
Option 2: Reduce threshold to \$3,000⁴												
Fiscal Year Revenue	-1.4	-7.0	-5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-13.9
Calendar Year Liability	-7.0	-6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-13.9
Option 3: Reduce threshold to \$8,500⁵												
Fiscal Year Revenue	-0.6	-3.0	-2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.0
Calendar Year Liability	-2.9	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.0

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

(1) Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue.

(2) Baseline is current law. Proposal reduces the unindexed earnings refundability threshold to \$0, effective 1/1/09.

(3) Fiscal-year revenue numbers assume a 20-80 split. The actual effect on receipts could differ.

(4) Baseline is current law. Proposal reduces the unindexed earnings refundability threshold to \$3,000, effective 1/1/09.

(5) Baseline is current law. Proposal reduces the unindexed earnings refundability threshold to \$8,500, effective 1/1/09.