

A more detailed version of this table including baseline values and additional distribution measures is available on the second worksheet in the Excel file and second page of the pdf.

30-Aug-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

**Table T07-0296
Child Tax Credit (CTC)**

**Distribution of Federal Tax Benefits for Tax Units with Eligible Children Only, by Cash Income Percentile, 2007¹
Summary Table**

Cash Income Percentile ^{2,3}	Percent of Tax Units with Eligible Children ⁴		Benefit as Percent of After-Tax Income ⁵	Share of Total Federal Tax Benefits	Average Federal Tax Benefit (\$)	Average Federal Tax Rate ⁶	
	With Tax Benefit	Without Tax Benefit				With Credit	Without Credit
Lowest Quintile	8.2	91.8	0.2	0.2	19	-9.8	-9.6
Second Quintile	85.1	14.9	3.6	12.1	745	-3.7	-0.1
Middle Quintile	98.2	1.8	4.7	27.6	1,491	9.5	13.6
Fourth Quintile	99.7	0.3	3.2	34.3	1,687	16.7	19.3
Top Quintile	69.0	31.0	0.7	25.6	1,075	25.5	26.0
All	76.1	23.9	1.8	100.0	1,089	20.6	21.9
Addendum							
80-90	97.8	2.2	2.1	19.9	1,664	20.3	21.9
90-95	72.4	27.7	0.8	5.3	891	23.2	23.8
95-99	8.5	91.5	0.0	0.4	77	26.1	26.1
Top 1 Percent	2.2	97.8	0.0	0.0	28	30.7	30.7
Top 0.1 Percent	0.3	99.7	0.0	0.0	6	33.0	33.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

(1) Calendar year. Benefits of the credit are calculated under current law.

(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 breaks used in this table are (in 2006 dollars): 20% \$13,944, 40% \$26,887, 60% \$47,151, 80% \$83,902, 90% \$123,792, 95% \$174,283, 99% \$425,614, 99.5% \$663,650, and 99.9% 1,925,007.

(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 T07-0296
Child Tax Credit (CTC)
Distribution of Federal Tax Benefits for Tax Units with Eligible Children Only, by Cash Income Percentile, 2007¹
Detail Table

DISTRIBUTION OF Federal Tax Benefits for Tax Units with Eligible	Percent of Tax Units with Eligible Children ⁴		Benefit as Percent of After-Tax Income ⁵	Share of Total Federal Tax Benefits	Average Federal Tax Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Benefit	Without Tax Benefit			Dollars	Percent of Tax	With Credit	Without Credit	With Credit	Without Credit
Lowest Quintile	8.2	91.8	0.2	0.2	19	2.3	-0.7	-0.7	-9.8	-9.6
Second Quintile	85.1	14.9	3.6	12.1	745	2,834.3	-0.9	0.0	-3.7	-0.1
Middle Quintile	98.2	1.8	4.7	27.6	1,491	29.8	4.4	5.9	9.5	13.6
Fourth Quintile	99.7	0.3	3.2	34.3	1,687	13.4	15.0	16.3	16.7	19.3
Top Quintile	69.0	31.0	0.7	25.6	1,075	2.1	82.0	78.4	25.5	26.0
All	76.1	23.9	1.8	100.0	1,089	6.3	100.0	100.0	20.6	21.9
Addendum										
80-90	97.8	2.2	2.1	19.9	1,664	7.3	17.1	17.2	20.3	21.9
90-95	72.4	27.7	0.8	5.3	891	2.5	13.9	13.3	23.2	23.8
95-99	8.5	91.5	0.0	0.4	77	0.1	21.1	19.8	26.1	26.1
Top 1 Percent	2.2	97.8	0.0	0.0	28	0.0	29.9	28.0	30.7	30.7
Top 0.1 Percent	0.3	99.7	0.0	0.0	6	0.0	14.9	14.0	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2007¹

Cash Income Percentile ^{2,3}	Tax Units with Eligible Children 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	
Lowest Quintile	5,695	13.8	8,400	-805	9,205	-9.6	1.5	2.1	-0.7
Second Quintile	7,311	17.7	20,616	-26	20,643	-0.1	4.7	6.0	0.0
Middle Quintile	8,313	20.2	36,839	5,005	31,834	13.6	9.5	10.5	5.9
Fourth Quintile	9,131	22.1	65,542	12,625	52,917	19.3	18.5	19.2	16.3
Top Quintile	10,718	26.0	199,463	51,845	147,618	26.0	66.2	62.7	78.4
All	41,265	100.0	78,292	17,177	61,114	21.9	100.0	100.0	100.0
Addendum									
80-90	5,376	13.0	103,573	22,721	80,853	21.9	17.2	17.2	17.2
90-95	2,686	6.5	147,601	35,165	112,436	23.8	12.3	12.0	13.3
95-99	2,144	5.2	250,799	65,524	185,274	26.1	16.6	15.8	19.8
Top 1 Percent	513	1.2	1,262,160	387,480	874,680	30.7	20.0	17.8	28.0
Top 0.1 Percent	49	0.1	6,150,899	2,028,076	4,122,824	33.0	9.3	8.0	14.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

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