

**Table T05-0214. Option 4: Index CDCTC For Inflation and Make Fully Refundable
Distribution of Federal Tax Change by Cash Income Class, 2015 ¹**

Cash Income Class (thousands of 2005 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	3.6	0.0	0.5	9.8	-32	-10.1	0.0	0.1	-0.5	4.3
10-20	4.5	0.0	0.3	25.3	-53	-4.8	0.0	0.7	-0.3	5.7
20-30	3.5	0.0	0.1	9.1	-21	-0.6	0.0	2.4	-0.1	12.0
30-40	4.4	0.0	0.0	4.8	-14	-0.2	0.0	3.4	0.0	15.8
40-50	3.9	0.0	0.0	4.0	-15	-0.1	0.0	4.1	0.0	18.6
50-75	4.3	0.0	0.0	11.6	-25	-0.2	0.0	10.9	0.0	21.3
75-100	5.8	0.0	0.0	10.8	-36	-0.2	0.0	10.8	0.0	23.3
100-200	7.6	0.0	0.0	19.9	-48	-0.1	0.0	26.7	0.0	26.2
200-500	5.7	0.0	0.0	4.5	-37	0.0	0.0	17.7	0.0	28.8
500-1,000	2.3	0.0	0.0	0.2	-9	0.0	0.0	6.6	0.0	29.2
More than 1,000	1.8	0.0	0.0	0.1	-8	0.0	0.0	16.3	0.0	33.2
All	4.7	0.0	0.1	100.0	-32	-0.2	0.0	100.0	0.0	24.3

**Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2015 ¹**

Cash Income Class (thousands of 2005 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	15,853	9.7	6,645	316	6,329	4.8	0.7	0.9	0.1
10-20	24,587	15.1	18,558	1,109	17,449	6.0	3.2	3.9	0.8
20-30	22,795	14.0	30,772	3,709	27,063	12.1	4.9	5.6	2.4
30-40	17,610	10.8	43,040	6,815	36,225	15.8	5.2	5.8	3.4
40-50	13,922	8.5	55,387	10,325	45,062	18.6	5.3	5.7	4.1
50-75	23,689	14.5	76,043	16,225	59,818	21.3	12.5	13.0	10.9
75-100	15,212	9.3	107,254	24,976	82,278	23.3	11.3	11.5	10.8
100-200	21,328	13.1	168,033	44,022	124,010	26.2	24.8	24.2	26.7
200-500	6,135	3.8	353,439	101,640	251,798	28.8	15.0	14.1	17.7
500-1,000	948	0.6	839,707	245,393	594,314	29.2	5.5	5.2	6.6
More than 1,000	486	0.3	3,555,482	1,181,041	2,374,441	33.2	12.0	10.6	16.3
All	163,160	100.0	88,578	21,568	67,010	24.4	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-2).

(1) Calendar year. Baseline is current law. The maximum eligible expenses and the AGI level at which the credit rate begins to phase down would be indexed for inflation starting 01/01/06. The rounding factor for indexation would be the nearest multiple of \$10, the same as for the Earned Income Tax Credit. Proposal also includes allowing the CDCTC regardless of AMT liability and extending the EGTRRA provisions.

(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. Tax units that are dependents of other taxpayers are excluded from the analysis.

(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.