

**Table T05-0220. Option 5: Index CDCTC For Inflation, Create Single Credit Rate of 35 Percent, and Make Fully Refundable  
Number of Returns and Amount Reported Compared to Current Law, 2015 <sup>1</sup>**

Cash Income Class (thousands of 2005 dollars) <sup>2,3</sup>	Current Law					Proposal					Change Due to Proposal					
	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit (\$)	Returns		Reported Credit		Average Credit	
	Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percent Of Total	Amount (\$ millions)	Percent Of Total		Number (thousands)	Percentage	Amount (\$ millions)	Percentage	Dollars	Percentage
<b>Less than 10</b>	0	0.0	0.0	0.0	N/A	567	6.2	504.8	4.9	890	567	N/A	504.8	N/A	890	N/A
<b>10-20</b>	144	3.7	41.2	2.5	285	1,140	12.6	1,398.1	13.6	1,227	995	688.7	1,356.9	3293.0	942	330.2
<b>20-30</b>	645	16.3	294.3	18.0	456	882	9.7	992.3	9.7	1,125	237	36.8	698.0	237.2	668	146.5
<b>30-40</b>	835	21.1	373.7	22.8	448	899	9.9	960.5	9.4	1,068	64	7.7	586.8	157.0	621	138.6
<b>40-50</b>	701	17.7	289.6	17.7	413	812	8.9	898.2	8.8	1,106	111	15.8	608.6	210.2	693	167.8
<b>50-75</b>	689	17.4	281.7	17.2	409	1,395	15.4	1,583.7	15.4	1,136	705	102.3	1,302.0	462.3	727	178.0
<b>75-100</b>	381	9.6	143.0	8.7	376	1,095	12.1	1,258.5	12.3	1,149	715	187.8	1,115.5	780.3	773	205.9
<b>100-200</b>	439	11.1	152.6	9.3	347	1,842	20.3	2,111.0	20.6	1,146	1,403	319.4	1,958.4	1283.5	799	229.9
<b>200-500</b>	76	1.9	38.3	2.3	504	391	4.3	476.6	4.6	1,218	315	414.6	438.3	1144.5	714	141.8
<b>500-1,000</b>	29	0.7	16.7	1.0	569	37	0.4	43.5	0.4	1,191	7	24.8	26.9	161.0	621	109.1
<b>More than 1,000</b>	12	0.3	7.6	0.5	620	13	0.1	19.8	0.2	1,539	1	5.3	12.2	161.4	919	148.2
<b>All</b>	3,952	100.0	1,638.5	100.0	415	9,078	100.0	10,252.6	100.0	1,129	5,126	129.7	8,614.1	525.7	715	172.4

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

(1) Calendar year. Baseline is current law. The maximum eligible expenses 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. Under current law, the credit rate phases down from 35 percent to a minimum of 20 percent based on the taxpayer's AGI. This proposal would eliminate the phasedown and establish a single rate of 35 percent of eligible expenses, effective 01/01/05. 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.