

**Table T05-0235. Option 7: Index CDCTC For Inflation; Make Fully Refundable; Raise Top Credit Rate to 50 Percent, Phased Out Starting at \$30,000
Number of Returns and Amount Reported Compared to Current Law, 2015 ¹**

Cash Income Class (thousands of 2005 dollars) ^{2,3}	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
Less than 10	0	0.0	0.0	0.0	#DIV/0!	567	6.2	721.1	7.4	1271	567	#DIV/0!	721.1	#DIV/0!	1,271	#DIV/0!
10-20	144	3.7	41.2	2.5	285	1,140	12.6	1,997.2	20.6	1753	995	688.7	1,956.0	4747.1	1,467	514.5
20-30	645	16.3	294.3	18.0	456	882	9.7	1,417.5	14.6	1607	237	36.8	1,123.2	381.7	1,150	252.1
30-40	835	21.1	373.7	22.8	448	899	9.9	1,296.0	13.4	1441	64	7.7	922.3	246.8	994	222.0
40-50	701	17.7	289.6	17.7	413	812	8.9	972.0	10.0	1197	111	15.8	682.4	235.6	784	189.8
50-75	689	17.4	281.7	17.2	409	1,395	15.4	1,039.2	10.7	745	705	102.3	757.5	268.9	337	82.4
75-100	381	9.6	143.0	8.7	376	1,095	12.1	727.4	7.5	664	715	187.8	584.4	408.8	288	76.8
100-200	439	11.1	152.6	9.3	347	1,842	20.3	1,211.9	12.5	658	1,403	319.4	1,059.3	694.2	311	89.4
200-500	76	1.9	38.3	2.3	504	391	4.3	273.0	2.8	698	315	414.6	234.7	612.8	194	38.5
500-1,000	29	0.7	16.7	1.0	569	37	0.4	25.0	0.3	683	7	24.8	8.3	49.6	113	19.9
More than 1,000	12	0.3	7.6	0.5	620	13	0.1	11.4	0.1	885	1	5.3	3.8	50.4	265	42.8
All	3,952	100.0	1,638.5	100.0	415	9,078	100.0	9,699.6	100.0	1068	5,126	129.7	8,061.1	492.0	654	157.7

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

(1) Calendar year. 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. The maximum credit rate would be increased from 35 percent to 50 percent. The credit rate would be reduced by one percentage point for each \$1,000 (or fraction thereof) by which AGI exceeds \$30,000 (indexed). The credit would be available regardless of tax liability. 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.