

Table T05-0262. Option 7: Make CDCTC 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, 2005 ¹
For Tax Units in Cities Only

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	N/A	162	10.3	148.5	10.0	915	162	N/A	148.5	N/A	915	N/A
10-20	56	4.8	13.3	2.2	239	253	16.0	332.4	22.4	1,316	197	352.2	319.0	2,393.4	1,078	451.4
20-30	153	13.0	79.8	12.9	522	188	11.9	237.9	16.0	1,264	35	23.2	158.1	198.2	742	142.1
30-40	222	18.9	135.2	21.8	609	226	14.3	271.0	18.3	1,200	4	1.8	135.8	100.4	591	96.9
40-50	121	10.3	68.9	11.1	569	127	8.0	130.3	8.8	1,029	6	4.6	61.4	89.0	459	80.7
50-75	242	20.6	123.5	20.0	510	244	15.4	162.0	10.9	665	1	0.5	38.5	31.2	155	30.5
75-100	182	15.5	89.5	14.5	492	182	11.5	89.9	6.1	493	0	0.1	0.3	0.3	1	0.3
100-200	161	13.7	87.1	14.1	541	162	10.2	88.4	6.0	546	1	0.7	1.3	1.5	5	0.9
200-500	35	3.0	19.1	3.1	543	35	2.2	19.1	1.3	543	0	0.0	0.0	0.1	0	0.1
500-1,000	3	0.2	1.8	0.3	648	3	0.2	1.8	0.1	645	0	1.4	0.0	1.1	-2	-0.3
More than 1,000	1	0.1	0.6	0.1	732	1	0.1	0.7	0.0	746	0	1.7	0.0	3.6	14	1.9
All	1,176	100.0	618.9	100.0	526	1,583	100.0	1,482.8	100.0	937	407	34.6	864.0	139.6	411	78.0

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

(1) Calendar year. 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. The credit would be available regardless of tax liability.

(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.