



# Supporting Families, Rewarding Work: A Proposal to Reform and Enhance the EITC and CTC

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# Supporting Families, Rewarding Work: A Proposal to Reform and Enhance the EITC and CTC

Melissa S. Kearney\*, Luke Pardue\*\*, and Ella Grant\*\*\*

## Introduction

The federal Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are important sources of income support to workers with low earnings and to low-income families with children. In 2023, approximately 27 million workers received a total of \$72 billion through the EITC, and 46 million families received a total of \$122 billion through the Child Tax Credit (Joint Committee on Taxation 2023). Both these credits play an important role in incentivizing work and redistributing income to low-income families with children. However, the design of these credits could be readily improved. In this policy brief, we propose incremental reforms to the federal income tax code that would streamline the dual goals of rewarding work and supporting children—goals that are embedded across both the EITC and CTC today—while also expanding income assistance for low-income families with children.

Our proposal reorients the EITC around its primary purpose of subsidizing wages of low earners, while using the CTC as the primary tool to support families with children. To do this, we propose a simplified EITC schedule with higher income thresholds and credit amounts for married tax filers, where thresholds and credit amounts vary if filing units claim children, but not by the number of children claimed.<sup>1</sup> This structure maintains the desirable work incentives of the EITC while separating out the delivery of income assistance targeted at children.

The streamlined EITC in our proposal is combined with the enhanced CTC proposed by Edelberg and Kearney (2023). This enhanced CTC features an increased full credit amount, partial refundability for those with zero earnings, a steep phase-in, and a gradual phase-out range at high levels of income. It would reduce child poverty, maintain tax incentives to work for low earners, and discipline the costs of the program by beginning the phase-out of the credit at a lower household-income threshold than the one set by current law.

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<sup>1</sup> The EITC provisions of the Family Security Act advanced by Senator Mitt Romney (R-UT) similarly proposed streamlining the EITC to be uniform across the number of children, as commented on by Kearney and Schanzenbach (2021). More recently, McCabe and Sargeant (2025) propose incremental reforms to shift a portion of the EITC's child benefits to the CTC. Though creating one EITC structure that does not differ for childless adults and parents would further simplify the structure and administration of the tax credit, such a change would involve a prohibitively expensive expansion of the EITC to childless adults in order to keep parents as well off as under current law. We thus chose not to propose that more drastic option.

Our proposed reforms to the EITC and CTC also include higher income thresholds for married tax filers than for single filers, thereby reducing penalties for two-earner married couples implicit in the family-based federal income tax code.<sup>2</sup> Under this plan, families with children making under \$100,000 will see an average increase in annual income of 11.5 percent. Those making under \$40,000 annually will see the greatest percentage gains. Under our proposal, child poverty (as measured by the supplemental poverty measure) will fall by 3 percentage points; our proposal is expected to cost \$55.6 billion annually relative to the current EITC and CTC.

## Two Tax Policy Instruments and Two Main Policy Goals

Unlike many high-income countries, the United States does not provide a universal child allowance to families with children (see OECD 2025). Instead, in the US, the main policy tools used to provide cash income support to families with children are the fully refundable EITC and the partially refundable CTC. The EITC is also the primary tool for subsidizing earnings (i.e., incentivizing work) of low-income workers. This dual purpose leads to suboptimal design features, such as having the strongest work incentives for single mothers with multiple children and the weakest work incentives for childless workers.

First, families with no earnings receive no income support from either the EITC or CTC. This design is intended to reward and incentivize work, but it also means that, unlike a guaranteed child allowance, these credits do not provide income support to the neediest of families, limiting their anti-poverty benefits.

Second, to provide income assistance to families with children, the CTC is child-based, meaning that the total CTC amount awarded to a family is based on the total number of qualifying children. The EITC features different schedules for families with one, two, or three or more children, with a higher phase-in subsidy rate and a larger full-credit amount for larger families. For example, in 2023, a taxpayer with one qualifying child is eligible for a maximum credit amount of \$3,995, phased in at a rate of 34% between the first dollar earned and \$11,750. A taxpayer with three qualifying children is eligible for a maximum credit amount of \$7,430, phased in at a rate of 45% between the first dollar earned and \$16,510.<sup>3</sup> The after-tax return to work is then higher for the parent with three children.

In this way, the EITC has stronger work incentives for parents with more children, an incentive structure that runs counter to conventional ideas of family well-being. The gain in family well-being when parental time at home increases is likely increasing in the number of children in the home. Conversely, the cost to the family in time and stress when a parent works outside the home for more hours is likely greater as the number of children at home increases. Yet the current EITC structure today creates greater incentives for parents with more children at home to enter the workforce.

As a policy tool designed to incentivize and reward work, the credit amount should not increase in the number of children, since there is no justification for a greater societal preference for work among parents

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<sup>2</sup> For a discussion of these features of the federal income tax code, see Kearney and Turner 2013 and Ilin et al. 2022.

<sup>3</sup> Boyle et al. 2025.

with multiple children as compared to parents with only one child, or childless adults. This feature of the EITC schedule only makes sense as a tool to deliver income assistance to families, with more assistance going to families with more children. Furthermore, the fact that the structure of the EITC is conditional on parental earnings means that a child with multiple siblings might receive very little by way of cash support if their parent only works for a small portion of the year and does not max out the EITC credit. In other words, if a parent with three children is out of work for a good part of the year, they might receive less income support per child than another parent with three children who maintains stable employment throughout the year. As the EITC currently is our country's primary policy instrument for providing income assistance to low-income families with children, this feature is highly undesirable.

To address these shortcomings, we propose reforming the tax code so that the EITC is designed primarily as an earnings subsidy and the CTC is the primary tax instrument to provide income assistance to families with children.

### **Marriage Penalties in the Tax Code Treatment of Low-Income Families**

For married couples filing jointly, the progressive US federal income tax is based on combined spousal income. As a result, the first dollar earned by the second earner in a couple (meaning the spouse with lower earnings) is subject to the marginal tax rate that would apply to the last dollar earned by the primary earner. This policy can lead to a higher tax burden for married couples who have the same combined income as unmarried individuals—the well-known “marriage penalty.” The marriage penalty creates a disincentive to marry among low-income couples. Among married couples, this undesirable feature of the tax code also amounts to what Kearney and Turner (2013) refer to as a “secondary earner penalty,” which creates a disincentive for a spouse to work. As documented by Ilin, Kotlikoff, and Pitts (2022), these marriage and secondary-earner penalties are especially high for tax filers with below-median income. These tax code disincentives for marriage and spousal work are exacerbated by the fact that eligibility for means-tested transfer programs, including the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and housing assistance, is also based on pooled family earnings.

Take the example of an unmarried couple with two children, where both earners make 200 percent of the federal minimum wage (\$30,160 annually or \$14.50/hour). Filing separate income taxes, they would collectively receive \$4,788 in EITC payments and a \$4,000 CTC. The couple would owe \$11,902 in federal and payroll taxes, bringing their total disposable income to \$57,206.<sup>4</sup> If the couple were to get married, and thus jointly file their taxes, they would lose their full EITC benefit. Filing jointly also causes an increase in the family's federal tax burden by \$801, further decreasing their disposable income. Overall, the couple would be left with just \$51,617 in after-tax income, a \$5,589 decrease in their income compared to when they were unmarried partners. On the other hand, there is a slight marriage “bonus” for two equal earners at the lowest end of the wage distribution: A couple each making the federal minimum wage (\$7.25/hour, or \$15,080 annually at full-time hours) sees an increase in after-tax income of \$1,378 upon marriage, because

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<sup>4</sup> Calculations of different tax scenarios are made using Taxsim (see Feenberg and Coutts 1993). For details, see the Appendix, tables A1 and A2.

they are now eligible for a much higher CTC amount.

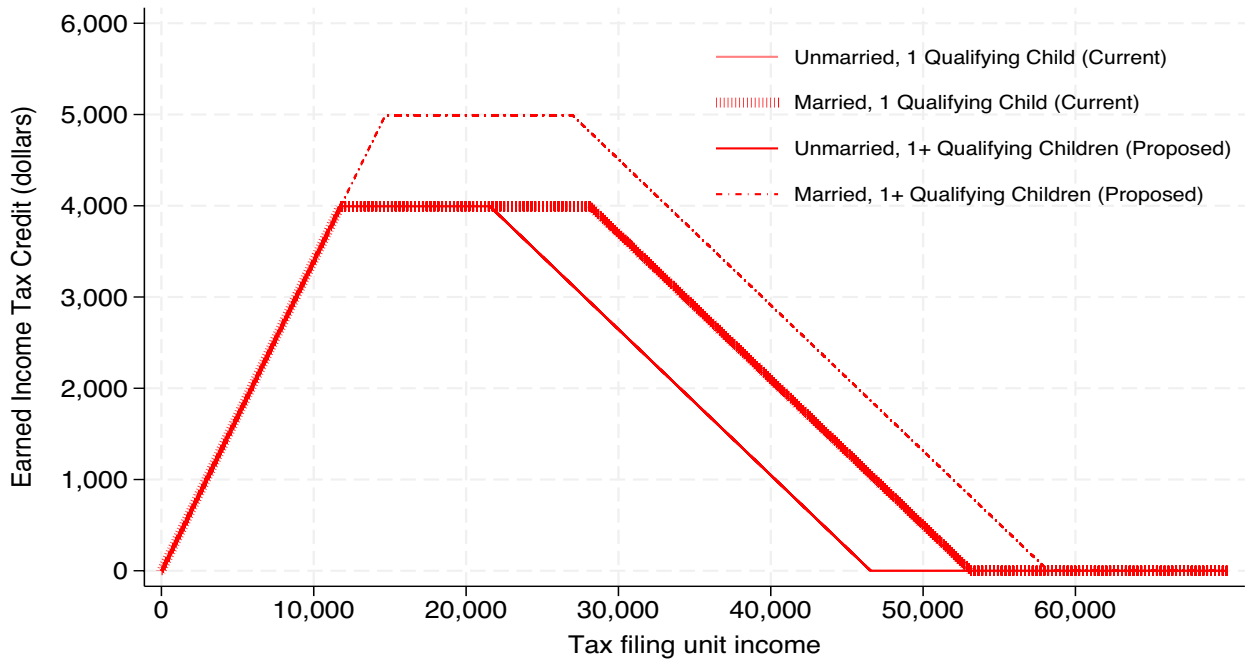
A similar issue occurs when the second earner in a married couple enters the labor force. Consider the case of a couple with two children, a primary worker working full time, earning 200% of the federal minimum wage (\$14.50/hour, or \$30,160 annually), and a spouse not in the labor force. Accounting for federal and payroll taxes and transfer payments such as EITC, CTC, and SNAP, the family's total disposable income is \$39,640 annually. Similar to the case of a couple choosing to get married, if this couple adds a second earner to the labor force, they will lose full EITC eligibility and be faced with a higher tax burden, even before childcare costs are taken into account. The issues outlined above illustrate how the family-based nature of the federal income tax code penalizes dual-earning married couples. To address this limitation, we propose to raise the credit amount and qualifying income thresholds for married tax filers in the EITC and shift to administering a higher portion of the child-based benefits of the EITC to payments through the CTC.

### **Proposal: A Streamlined EITC and Enhanced CTC**

To address the issues outlined above, we propose changes to the current EITC and CTC schedules. Our proposed changes to the EITC consolidate the schedule into a schedule for single or joint filers, with or without any dependent children. The terms of the "childless EITC" remain unchanged, while the credit for filing units with any dependent children is modeled on the one-child EITC schedule in current law. Under this unified EITC, a single filer with any dependent children would receive the one-child EITC: a subsidy of \$0.34 for each dollar of their first \$11,750 in earnings, with a maximum credit of \$3,995. The maximum credit is reduced starting at \$21,560 in earnings and is fully phased out once the individual's earnings reach \$46,560. For a married couple jointly filing, the benefit continues to phase in until they reach a maximum credit of \$4,993 at \$14,687 in earnings, begins to phase out at \$26,950 in earnings, and is fully phased out at \$58,195 in earnings.

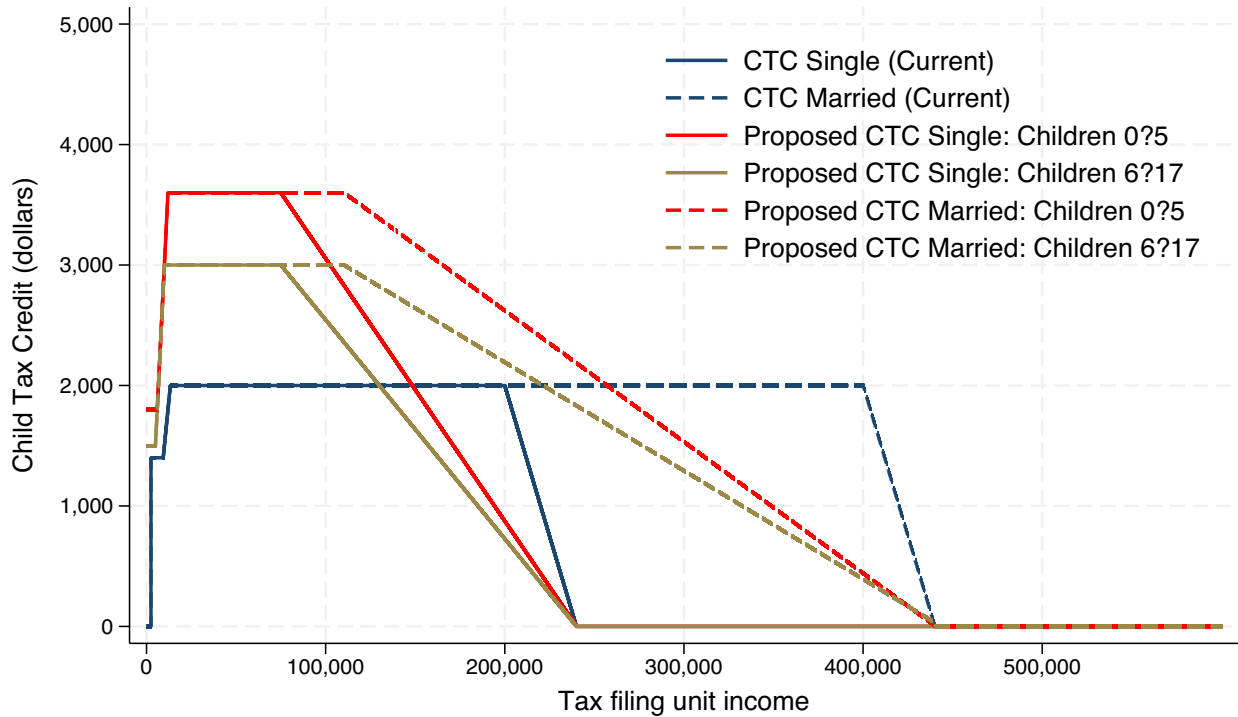
This consolidated EITC schedule is paired with an enhanced CTC, designed as a pro-work child allowance as in Edelberg and Kearney (2023). The full credit amount is \$3,600 per child for children under age 6 and \$3,000 per child for children ages 6-17. Families with no earnings are eligible for half the proposed credit, and the credit value increases quickly with income, rising by \$0.30 for every additional dollar in earnings until the maximum credit is reached. Families become eligible for the maximum credit at a household income of \$12,000 for families with children under 6 and \$10,000 for families with children 6-17. Starting at \$75,000 in earnings for single filers and \$110,000 in earnings for joint filers, the credit value begins to gradually decline, falling to 0 by \$240,000 and \$440,000 in household income for single and joint filers, respectively. This corresponds to a decrease of \$0.22 per additional \$10 of income for single filers and \$0.11 per \$10 for joint filers with children under 6. For filers with children aged 6-17, this rate is \$0.18 per \$10 for single filers and \$0.09 per \$10 for joint filers. Figures 1 and 2 illustrate the proposed EITC and CTC policy designs compared to current (2023) policy, respectively.

**Figure 1: Current (1-child) and proposed EITC schedules**



Source: Current EITC schedule from Boyle et al. 2025.

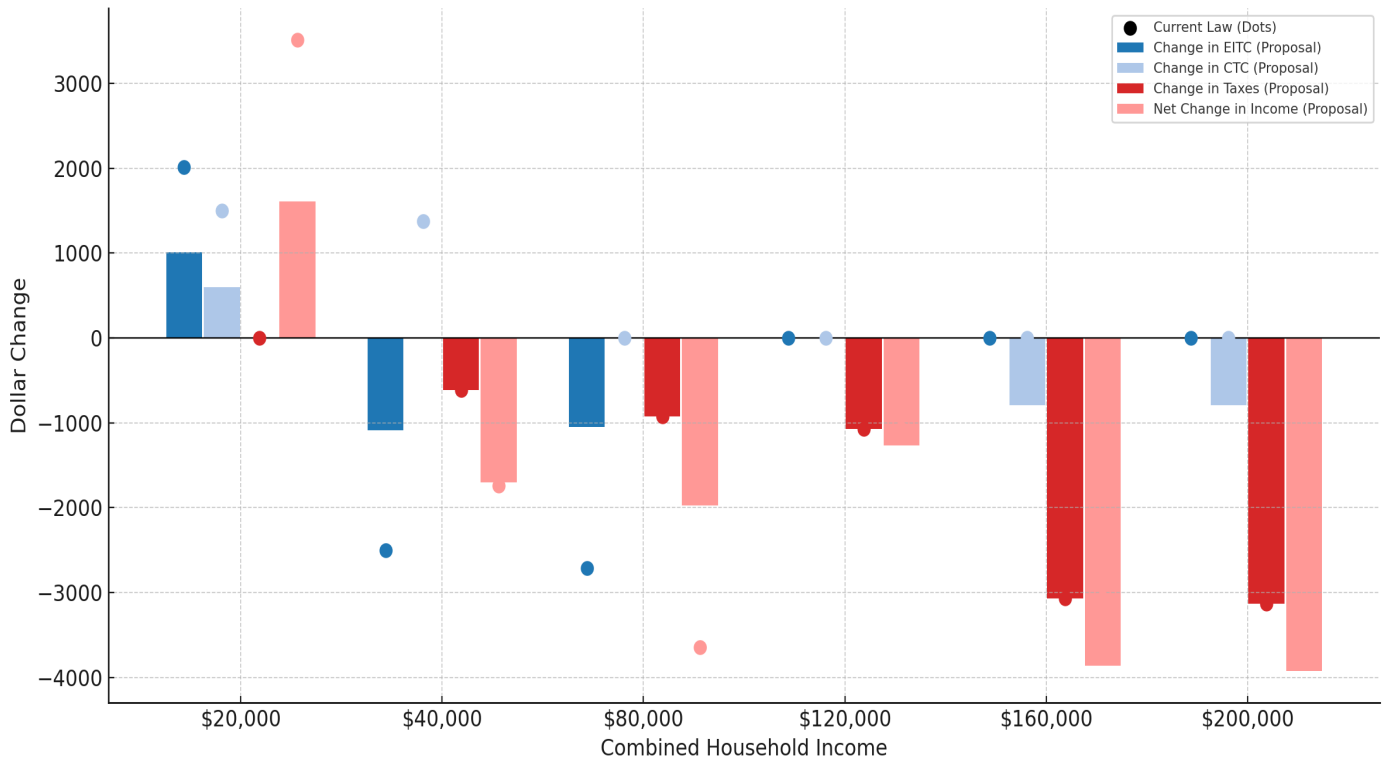
**Figure 2: Current and proposed CTC schedules**



Source: Current CTC schedule from Tax Foundation 2022.

Figure 3 compares the change in taxes and transfer payments that an unmarried couple with children would experience if they were to marry under current law and under our proposal at six different income levels. As seen by a comparison of the bars and dots, our proposal significantly reduces the sharp drop in EITC payments that families experience upon marriage under the current tax system, thereby shrinking the marriage penalty that low-income families face. By offering a partially refundable CTC to those with zero earnings, coupled with a steep phase-in rate, our proposal reduces the small “marriage bonus” that low-income couples experience from increased eligibility for the CTC when they marry under the existing system. However, our proposal ultimately leaves these low-income couples better off, as they have access to the full value of the enhanced CTC at a lower level of household income.

**Figure 3: The “marriage penalty” (or “subsidy”) under current law (dots) and under our proposal (bars)**



Source: Authors’ calculations using Taxsim (see Feenberg and Coutts 1993), using the 2023 CPS ASEC, accessed via IPUMS (Flood et al. 2024).

Notes: Under each scenario, we calculate the change in disposable income (net of taxes, benefits, and childcare costs) that a couple with 2 children sees when a secondary earner works full-time at that same wage level and the couple decides to marry. See Appendix Table A1 for calculations.

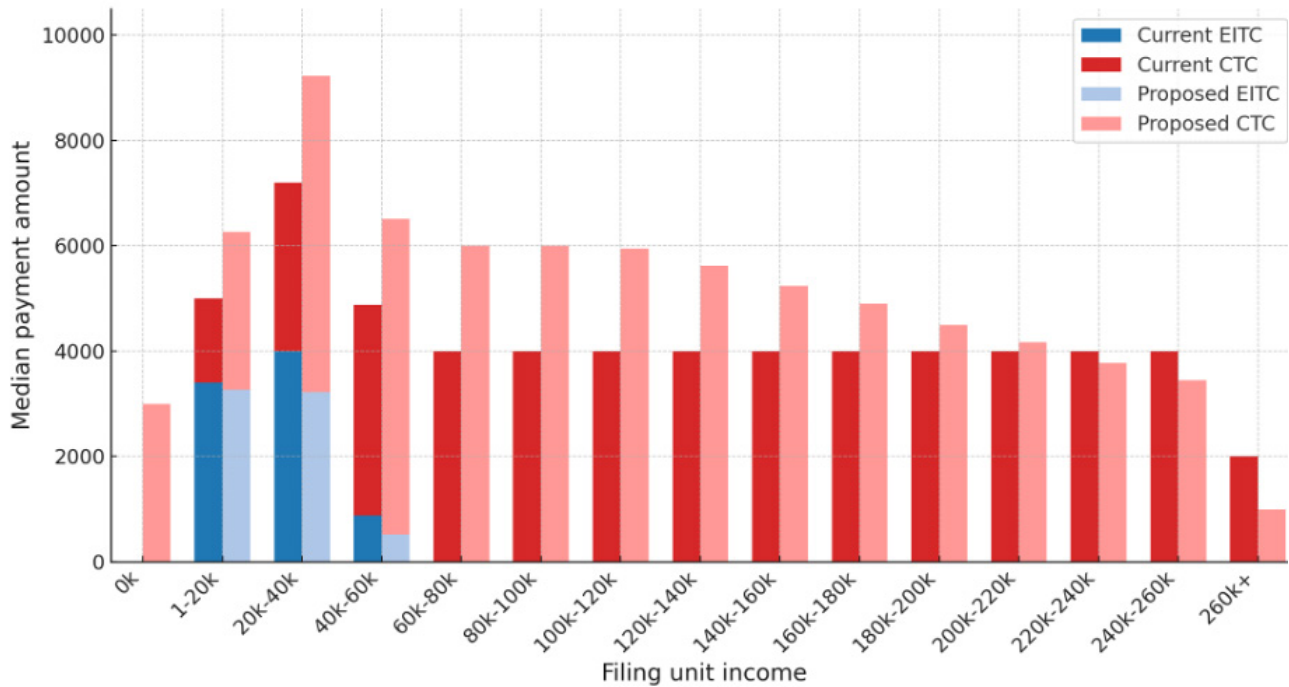
## Impact Across Income Distribution and Child Poverty Simulation

For an initial look at the distributional impact of our proposal among families with children, we examine how these changes to the EITC and CTC affect benefit amounts across the income distribution, displayed in Figure 4. The consolidated EITC reduced benefit amounts across the three groups eligible for the credit (generally those with positive earnings under \$60,000) by, on average, 22%. The enhanced CTC, however, more than makes up for the reductions in EITC amounts among families with children. This CTC expansion raises benefit amounts for all families making under \$220,000, while slightly dropping for those families with income above \$220,000. But this increase is larger (in both relative and absolute terms) among low-income families. First, the small amount made available to families with no earnings (who are today not eligible for any credit) increases average benefit amounts significantly. On average, a family with children and an income of \$60,000-\$80,000 would see a 57% increase in CTC benefit amounts, compared to an increase of 20% among families making \$180,000-\$200,000. Appendix figures A.1 to A.6 present the median changes for single and joint filers with one, two, and three or more dependent children.

Second, we calculate the change in disposable income across a range of individuals and families, keeping the labor supply decisions of any workers in the household constant. Figure 5 presents the median of the change in household income across the income distribution, unconditional on marital status and number of dependents. It then details this change for filing units with one, two, and three or more children (again, unconditional on marital status).

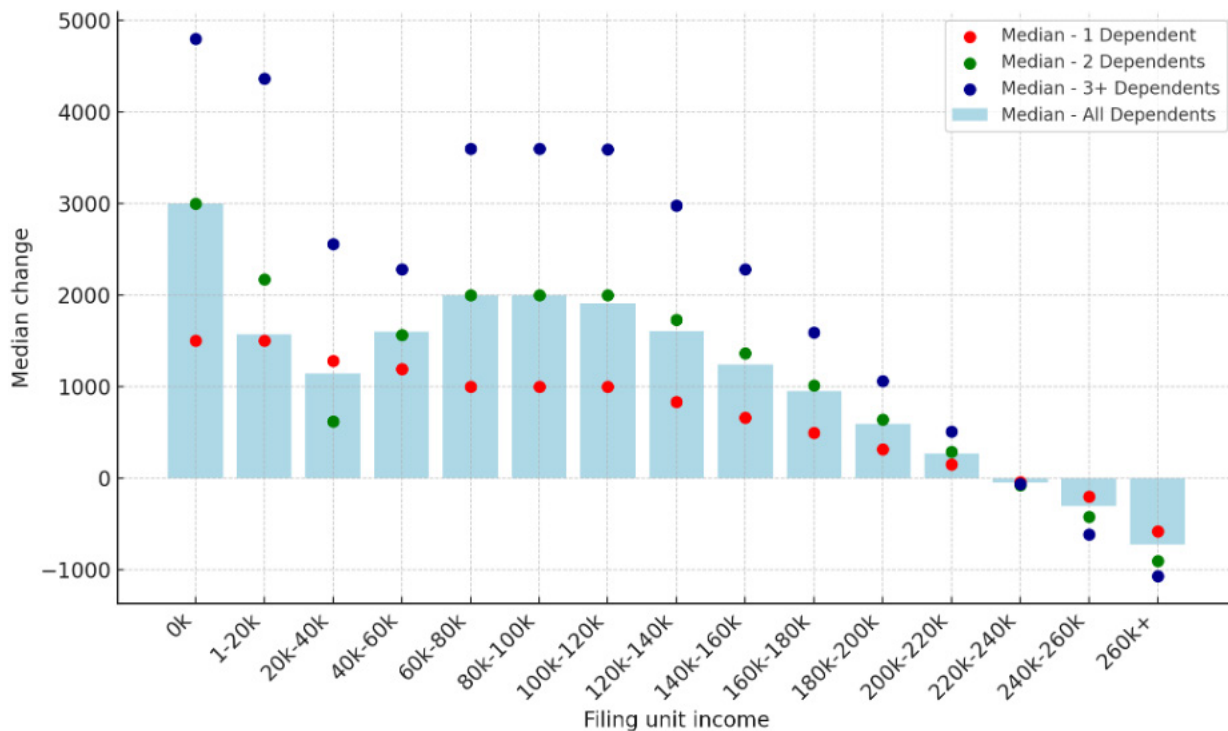
Low-income households with three or more children see the largest rise in take-home pay from our proposal, as the benefit from the expanded per-child CTC more than outweighs the reduction in EITC eligibility. Most families with an annual income above \$240,000 experience a modest decrease in household income, driven by reduced CTC eligibility. Under our proposal, 58 percent of the additional costs incurred are directed toward families in the bottom two-thirds of the income distribution. Appendix tables A.7 and A.8 present the changes broken out by number of dependent children for single and joint filers, respectively.

**Figure 4: Median EITC and CTC benefits to families with children, current vs. proposed**



Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure 5: Median change in household income after implementation of streamlined EITC/enhanced CTC, for four family arrangements**



Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024).

We calculate the impact of our proposal based on the Supplemental Poverty Measure, which calculates the poverty line accounting for taxes, transfer payments, out-of-pocket medical expenses, and home ownership. Based on this metric, we estimate that our proposal will reduce child poverty by 3 percentage points. A reduction of child poverty to this scale would have long-term societal benefits in the form of improved economic outcomes, reduced crime rates, and lower reliance on government assistance for the children lifted out of poverty through this expansion.

### **Fiscal Impact and Potential Revenue Offsets**

To get a sense of the magnitude of this proposal’s budget impact, we calculate the costs (or savings) of each component in a static exercise, holding the labor supply decisions of households constant when implementing the new EITC and CTC schedules in 2023.<sup>5</sup> If the unified EITC were implemented in 2023, we project expenditures of \$639 billion over ten years, compared to \$720 billion for the current EITC. We project that the expanded CTC would cost \$1.86 trillion over ten years, as compared to \$1.22 trillion under current CTC policy. These estimates are considered against a current-policy baseline, in which the CTC remains in its current form, rather than against a baseline scenario in which the CTC returns to a lower level in 2026, as it will under current law. This estimate is in line with other conventional budget estimates for comparable proposals.<sup>6</sup>

<b>Proposal</b>	<b>Budgetary change in a ten-year budget window, compared to current policy (billions)</b>
Enhanced CTC	-\$637
Streamlined EITC	\$81

Authors’ calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024).

<sup>5</sup> We use the 2024 Current Population Survey’s Annual Social and Economic Supplement (CPS ASEC) public-use microdata, which asks about respondents’ work and earnings in 2023, to create these cost estimates (Flood et al. 2024). We provide cost estimates in terms of a ten-year window to facilitate comparison with estimates of similar proposals, but, in addition to not accounting for labor supply responses, this calculation does not incorporate projected changes to other baseline variables (such as labor force changes from population, interest rate paths, and inflation).

<sup>6</sup> For instance, the Yale Budget Lab (2024) estimates that over ten years, this Edelberg-Kearney CTC framework would cost \$640 billion more than extending the current CTC. (They estimate that Edelberg-Kearney would cost \$1.421 trillion, while extending current policy would cost \$780 billion.) The Yale Budget Lab estimates that the CTC portion of the Family Security Act would cost \$854 billion more than extending current policy. Budget estimates from the American Enterprise Institute (AEI) find that Representative Blake Moore’s proposed changes to the CTC in the Family First Act (which would raise credit amounts for young children and begin the phase-out at higher earnings thresholds than Edelberg-Kearney) would cost \$1.1 trillion more than current policy (Pomerleau and Corinth 2025). With respect to the EITC consolidation, the estimated budget savings in this plan (\$81 billion over ten years) are slightly smaller than similar proposals. The Penn Wharton Budget Model (2021) finds that the Family Security Act’s EITC consolidation would raise \$195 billion over ten years, similar to AEI’s estimates of Representative Moore’s EITC consolidation in the Family First Act.

Providing children in low-income families with greater resources is an investment in our nation's children and our future prosperity (see Kearney and Pardue, 2023). Yet we are mindful of the fiscal need to offset any new spending or tax expenditure proposals (see, for instance, MacGuineas 2007 and Furman 2024).

To that end, we note that there are various options for potential offsets for the \$556 billion estimated increased cost of our proposal. For instance, eliminating the stepped-up basis provision that allows individuals to circumvent capital gains taxes when passing on appreciated assets to heirs could generate an estimated \$204 billion in revenue over the next ten years (Penn Wharton Budget Model 2020); closing the Carried-Interest Loophole that permits investment managers to pay a lower tax rate on their income by classifying it as capital gains rather than ordinary income would generate an additional \$12 billion in a ten-year budget window (Congressional Budget Office 2022); and capping the income- and payroll-tax exclusion for Employer Sponsored Insurance (ESI) at the 80th percentile of premiums could increase revenues by \$511 billion over the ten-year budget window (Lautz and Patzman 2024). Collectively, these three reforms would add up to \$727 billion to the ten-year budget window, more than covering the budgetary impact of our proposed changes to the EITC and CTC.

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### Technical Appendix

**Table A1: Marriage penalties and bonuses under different family compositions and income levels**

For a hypothetical family of two parents and two children, 5 and 8 years old.

	(1) Current policy (2023): unmarried co- habitating partners	(2) Current policy (2023): married part- ners	(3) Married-enhanced CTC / streamlined EITC proposal
<b>100% minimum wage (\$7.25/hr)</b>			
Total earnings	\$30,160	\$30,160	\$30,160
Payroll taxes	-\$4,614	-\$4,614	-\$4,614
Federal income tax	-\$123	-\$246	-\$246
CTC (incl. refundable part)	\$1,887	\$3,446	\$6,600
EITC	\$6,228	\$6,170	\$4,480
SNAP benefits	\$5,628	\$5,628	\$5,628
Total disposable in- come	\$39,165	\$40,544	\$42,007
% FPL (disposable income)	130%	135%	140%
Marriage penalty/bo- nus		\$1,378	\$166
<b>150% minimum wage (\$10.90/hr)</b>			
Total earnings	\$45,340	\$45,340	\$45,340
Payroll taxes	-\$6,937	-\$6,937	-\$6,937
Federal income tax	-\$1,069	-\$1,764	-\$1,764
CTC (incl. refundable part)	\$3,212	\$4,000	\$6,600
EITC	\$6,366	\$2,974	\$2,054
SNAP benefits	\$2,438	\$2,438	\$2,438

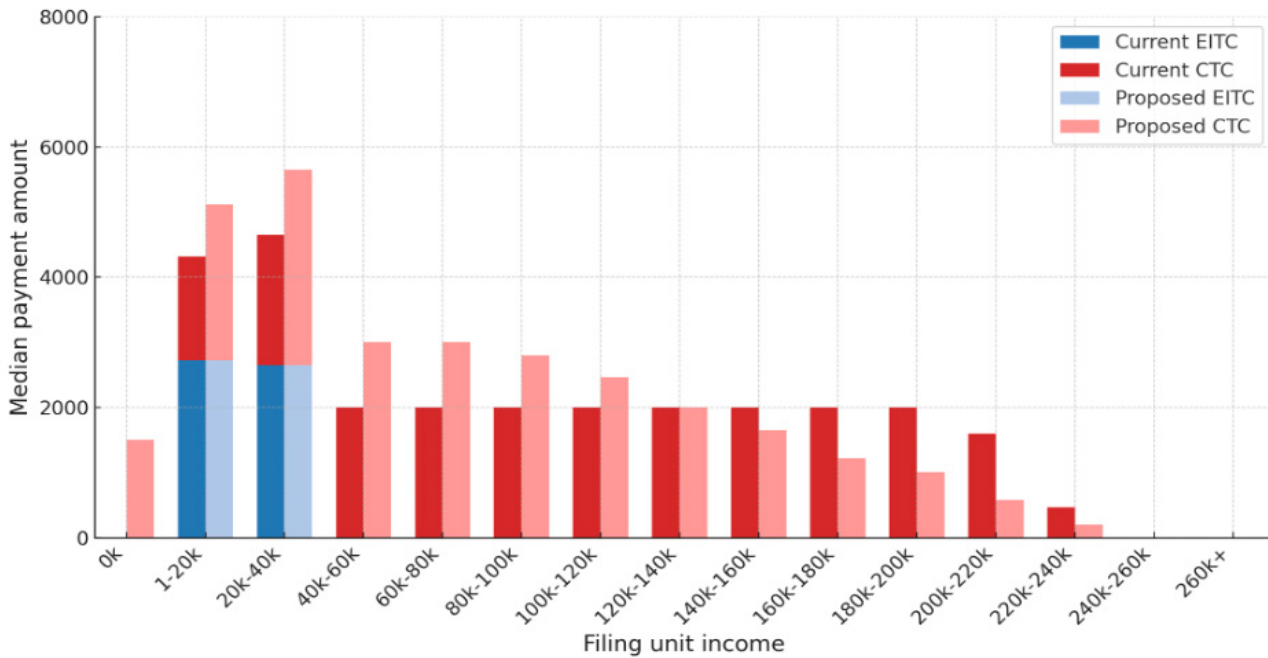
Total disposable income	\$49,350	\$46,051	\$47,731
% FPL (disposable income)	164%	154%	159%
Marriage penalty/bonus		-\$3,299	-\$2,458
<b>200% minimum Wage (\$14.50/hr)</b>			
Total earnings	\$60,320	\$60,320	\$60,320
Payroll taxes	-\$9,229	-\$9,229	-\$9,229
Federal income tax	-\$2,673	-\$3,474	-\$3,474
CTC (incl. refundable part)	\$4,000	\$4,000	\$6,600
EITC	\$4,788	\$0	\$0
SNAP benefits	\$0	\$0	\$0
Total disposable income	\$57,206	\$51,617	\$54,217
% FPL (disposable income)	191%	172%	181%
Marriage penalty/bonus		-\$5,589	-\$3,422

Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024).

**Table A2: proposed EITC and CTC schedules**

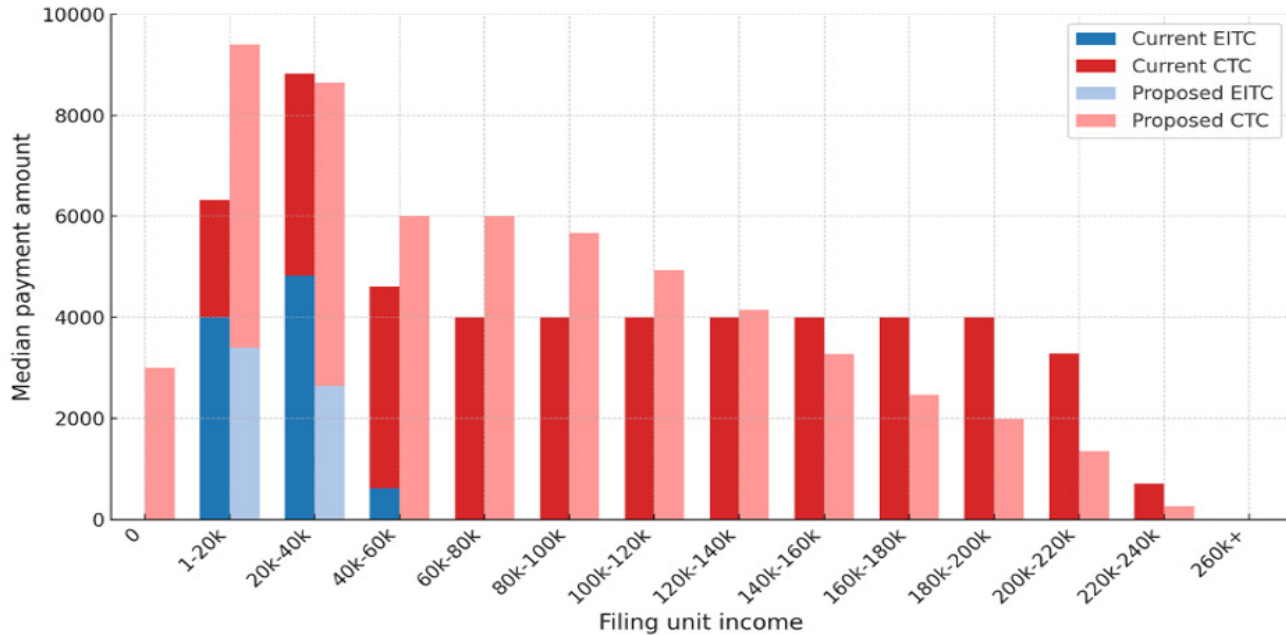
EITC	Single filers with dependent children	Joint filers with dependent children
Phase-in rate	34%	34%
Fully phased in by	\$11,750	\$14,687
Max credit amount	\$3,995	\$4,993
Phase-out starts at	\$21,560	\$26,950
Phase-out rate	15.98%	15.98%
Fully phased out by	\$46,560	\$58,195
CTC—children 0-5	Single filers	Joint filers
Phase-in rate	30%	30%
Fully phased in by	\$12,000	\$12,000
Max credit amount	\$3,600	\$3,600
Phase-out starts at	\$75,000	\$110,000
Phase-out rate	2.18%	1.09%
Fully phased out by	\$240,000	\$440,000
CTC—children 6-17	Single filers	Joint filers
Phase-in rate	30%	30%
Fully phased in by	\$10,000	\$10,000
Max credit amount	\$3,000	\$3,000
Phase-out starts at	\$75,000	\$110,000
Phase-out rate	1.8%	0.9%
Fully phased out by	\$240,000	\$440,000

**Figure A1: Median EITC and CTC benefits to single filers with one dependent child, current vs. proposed**



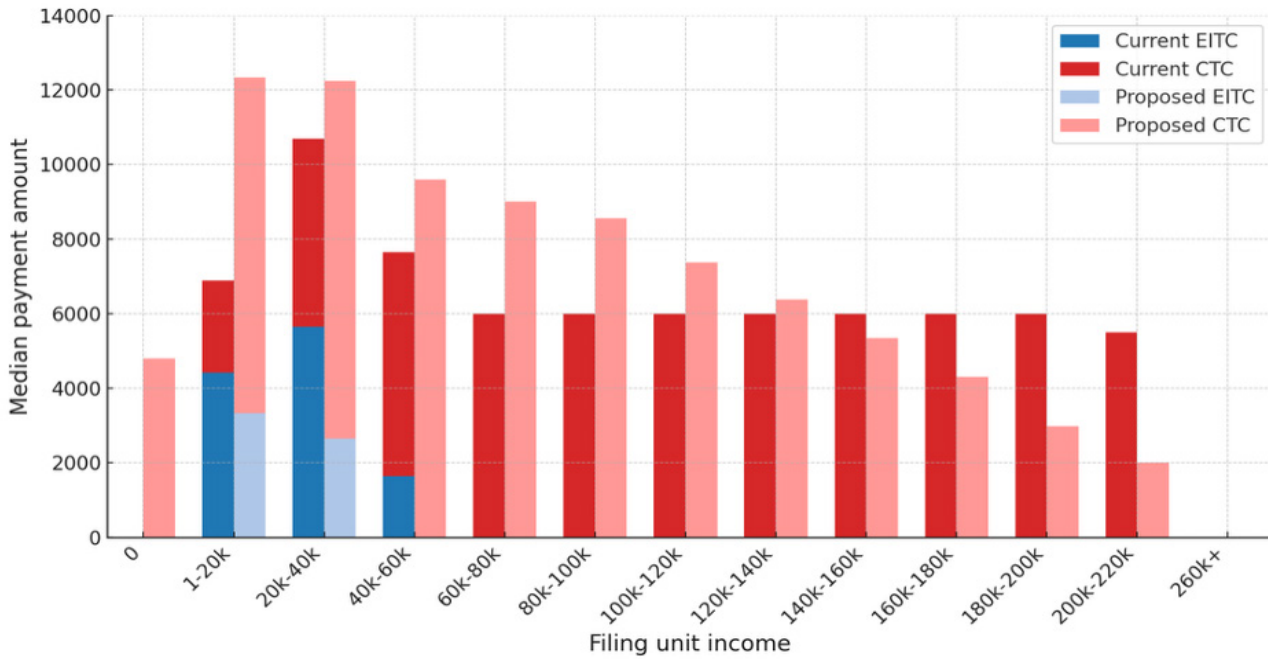
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A2: Median EITC and CTC benefits to single filers with two dependent children, current vs. proposed**



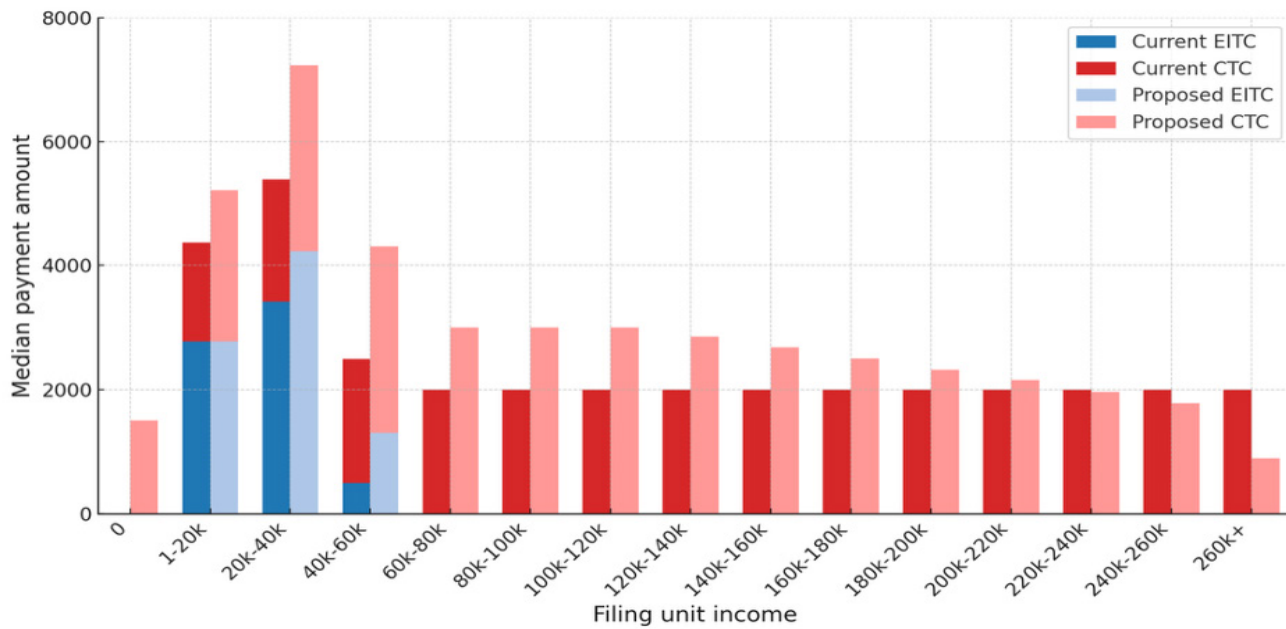
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A3: Median EITC and CTC benefits to single filers with three or more dependent children, current vs. proposed**



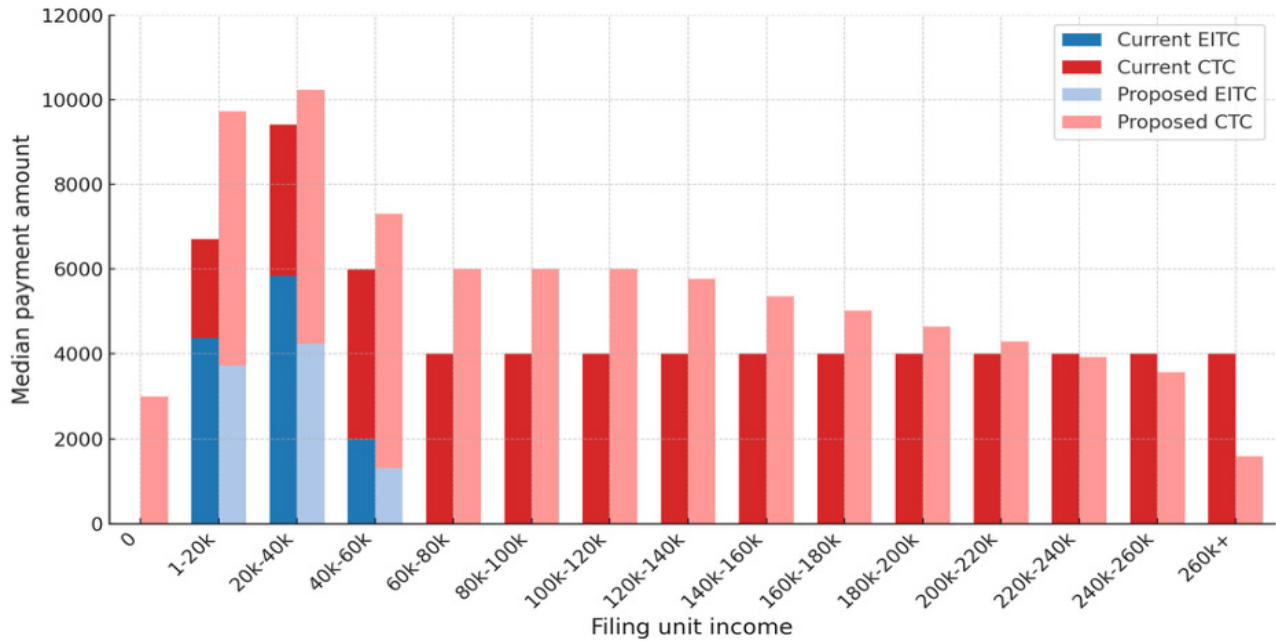
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A4: Median EITC and CTC benefits to joint filers with one dependent child, current vs. proposed**



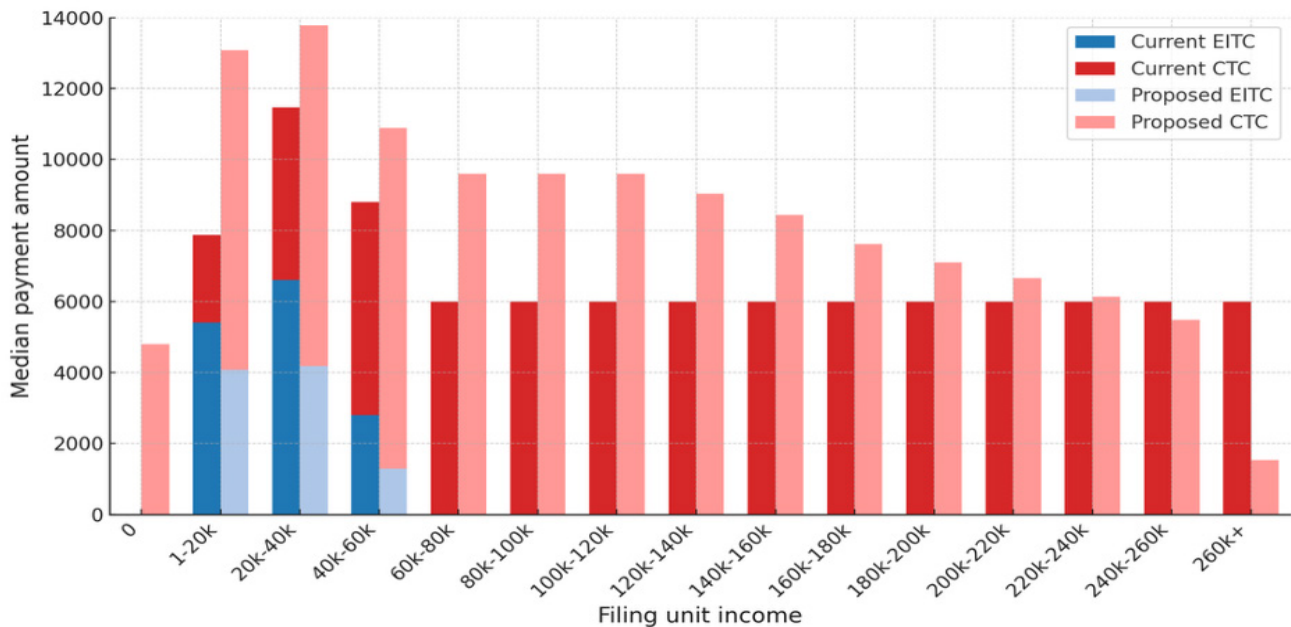
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A5: Median EITC and CTC benefits to joint filers with two dependent children, current vs. proposed**



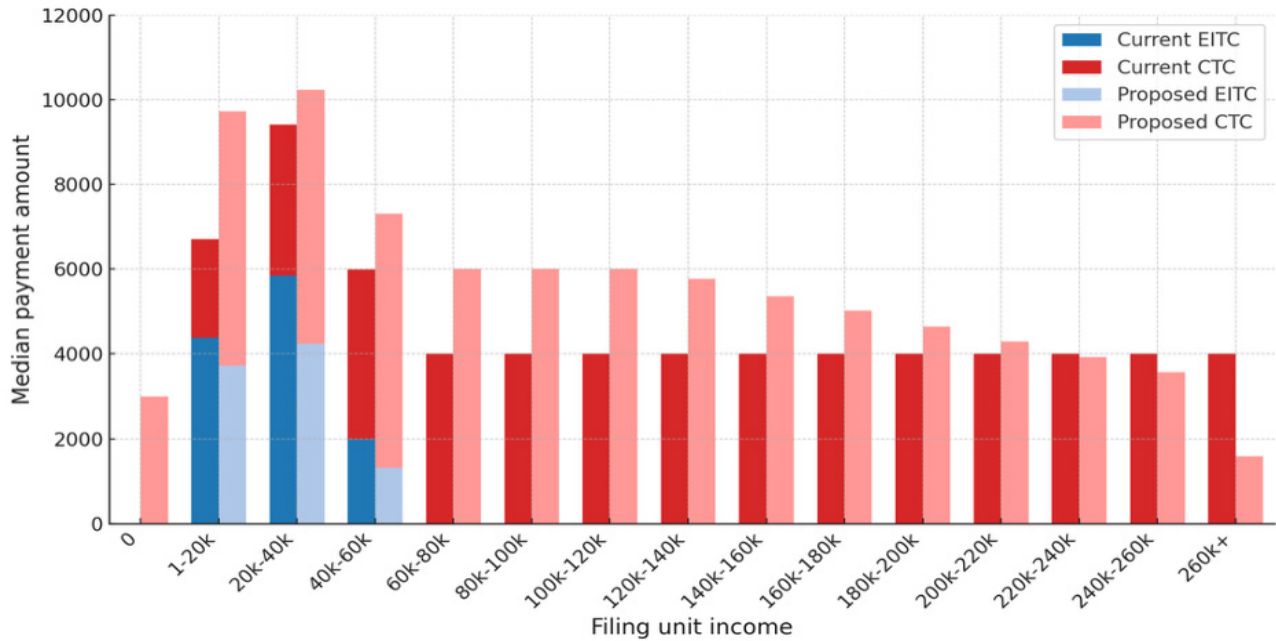
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A6: Median EITC and CTC benefits to joint filers with three or more dependent children, current vs. proposed**



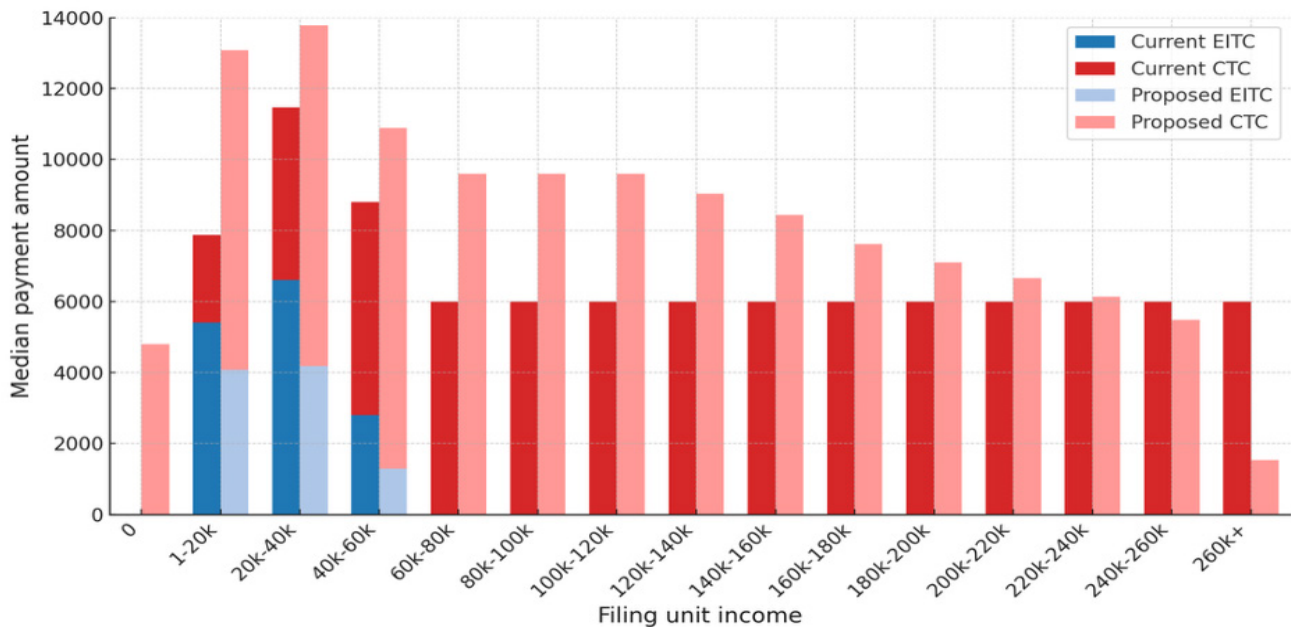
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A5: Median EITC and CTC benefits to joint filers with two dependent children, current vs. proposed**



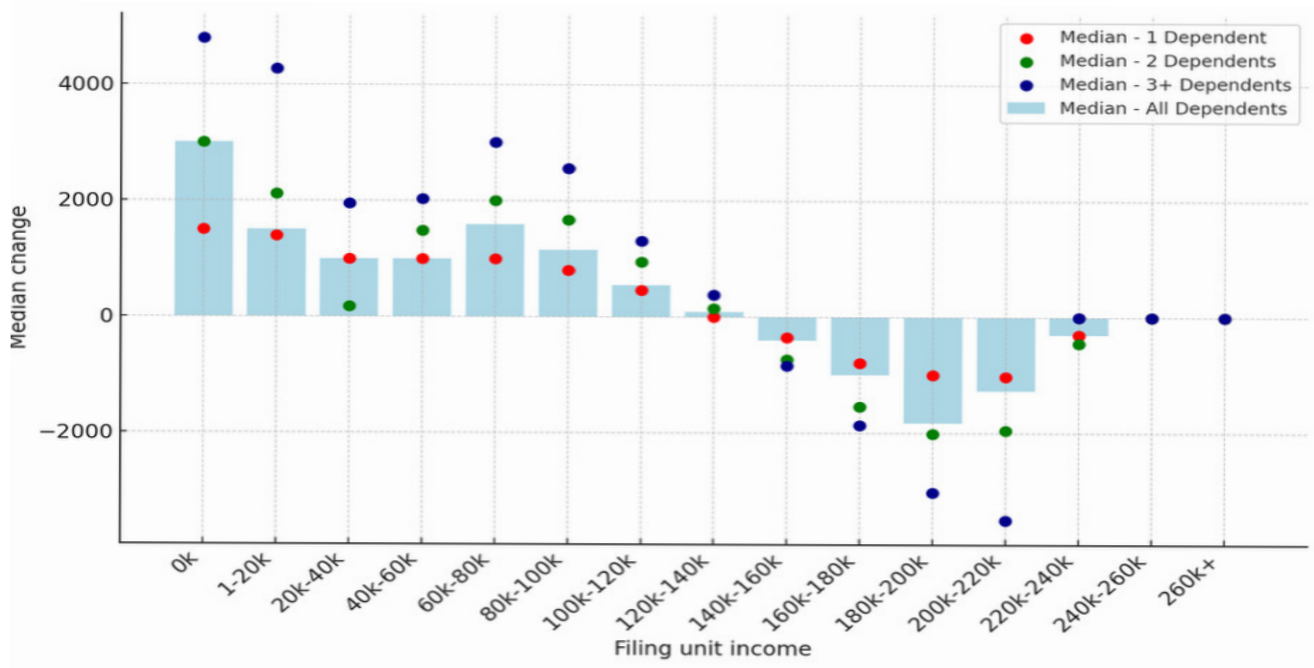
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A6: Median EITC and CTC benefits to joint filers with three or more dependent children, current vs. proposed**



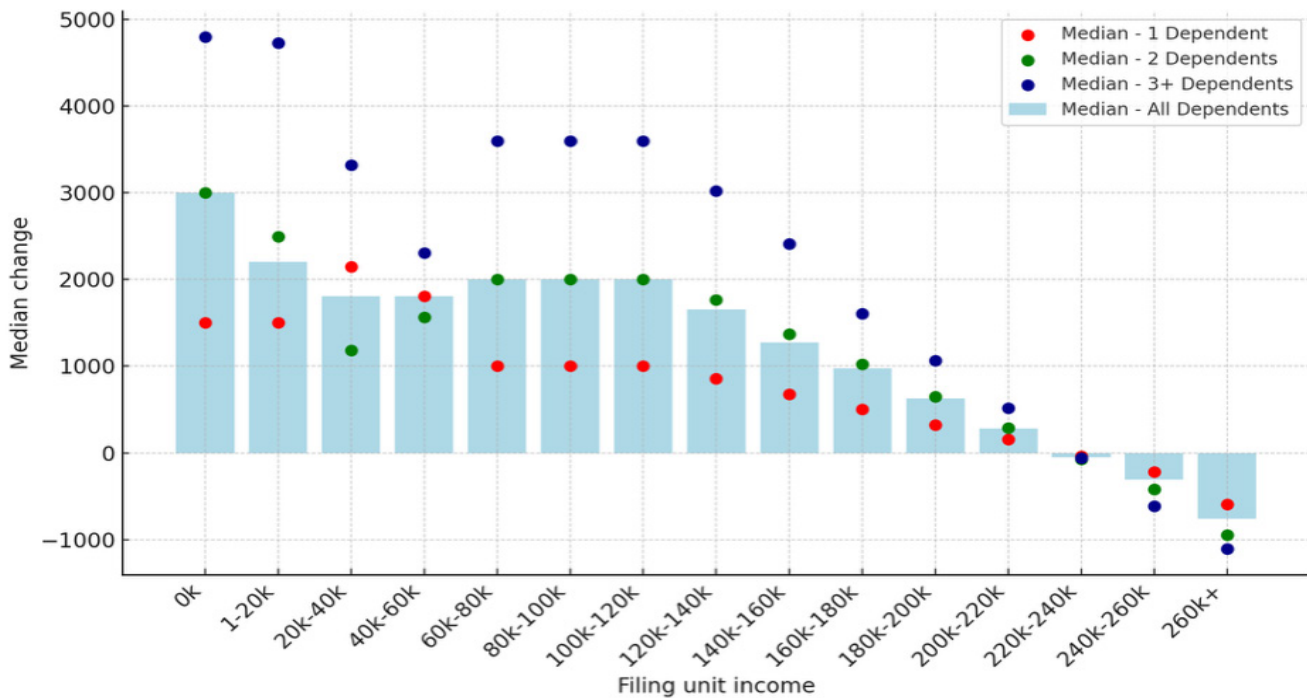
Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A7: Median overall change in income, by initial income category and dependents, single filers**



Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

**Figure A8: Median overall change in income, by initial income category and dependents, joint filers**



Source: Authors' calculations using Taxsim (see Feenberg and Coutts 1993), using the 2024 CPS ASEC, accessed via IPUMS (Flood et al. 2024). Note: EITC and CTC payments include a reduction in taxes and refundable amounts.

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