Illustration of Provisions in ARPA that help Families with Children

Consider a family with two working adults and two children, ages 3 and 7.
Using the JFO document, "Provisions in ARPA that help Families with Children," we can quantify the program amounts for families with different income levels coming from the
ARPA provisions for 2021 and compare to the pre-ARPA situation.

Child care/school	Age 3	Age 8	
Child care costs, gross amount	$10,400	$4,000	
Remote school	N.A.	60%	
Federal taxes			
AGI amounts, 3 families	$150,000	$75,000	$35,000
Effective tax rate*	12.75%	7.51%	2.91%
Federal tax liability*	$19,124	$5,629	$1,020
*Based on a tax calculator from https://smartasset.com/taxes/income-taxes#da1w86ffHz			

Two Working Adults, Two Children Ages 3 and 8, Federal Policy Only
PRELIMINARY DRAFT

Pre-ARPA

	Child Tax Credit, $2,000 per child	Child and Dependent Care Credit, 35% of up to $3,000 expense per child^	Sum	Available to offset federal income tax liability, or refundable
AGI $150,000	$4,000	$2,100	$6,100	$6,100
AGI $75,000	$4,000	$2,100	$6,100	$5,629 + $471R*
AGI $35,000	$4,000	$504 (CCFAP: JFO est.)	$4,504	$1,020 + $2,800R*

^CCFAP pays about 15% if income is $75,000; about 90% if income is $35,000
*Note: R = refundable; up to $1,400 per child.

Two Working Adults, Two Children Ages 3 and 8 -- Federal Policy Only								
PRELIMINARY DRAFT								
		ARPA -- Provisions with payments to families are in effect for one year						
	Child Tax Credit, $3,600 for age 3, $3,000 for age 8	Child and Dependent Care Credit, 50% of up to $8,000 expense per child*	Recovery Rebates, $1,400 per child in family	Pandemic EBT Card if eligible, $71.61/month if partially remote^	Child Care and Development Block Grant	Child Care Stabilization Grants; Head Start	Sum	Available to offset federal income tax liability
AGI $150,000	$6,600	$4,440	$5,600	$0	Unknown	Unknown	$16,640	$16,640
AGI $75,000	$6,600	$5,700	$5,600	$0	Unknown	Unknown	$17,900	$17,900
		(CCFAP: JFO est.)						
AGI $35,000	$6,600	$1,440	$5,600	$716	Unknown	Unknown	$14,356	$14,356
		(CCFAP: JFO est.)						
*Notes: The CDCC 50% is reduced 1 percentage point for each $2,000 earned over $125,000. Both the CTC and CDCC are fully refundable.								
^Pandemic EBT (Electronic Benefits Transfer) goes to students who are eligible for free or reduced price lunch.								