

**Senate H.510 Proposal**  
**Fiscal Impacts**

**Total Package Cost: \$36.27 million**

**Appropriations: \$4.25 million**

- \$750,000 in additional State funding to the Aid to the Aged, Blind, and Disabled program
- \$3.5 million in additional in childcare worker retention funding as passed in Budget Adjustment.

**Tax Proposals: \$32.02 million**

**1) Child Tax Credit: -\$22.5 million**

- Ages 5 and under
- \$1,000 base credit up to \$55,000 in AGI
- Phases out \$125 for every \$10,000 after that
- Credit is \$0 by \$135,000
- Sunset in 3 years

**2) Child and Dependent Care Credit: -\$5.35 million**

- 100% of the Federal Credit
- Fully refundable
- Sunset in 3 years

**3) Student Loan Interest Deduction: -\$2.2 million**

- Limited by income: \$120,000 for single filers, \$200,000 for married filers
- Sunset in 3 years

**4) Manufactured Homes Tax Credit: -\$250,000**

- Expansion of the existing credit by \$250,000

**5) House Social Security exemption expansion: -\$1.67 million**

- Expands the income thresholds by \$5,000
  - Full exemption for \$50,000 for single filers \$65,000 for married filers
  - Phases out over next \$10,000

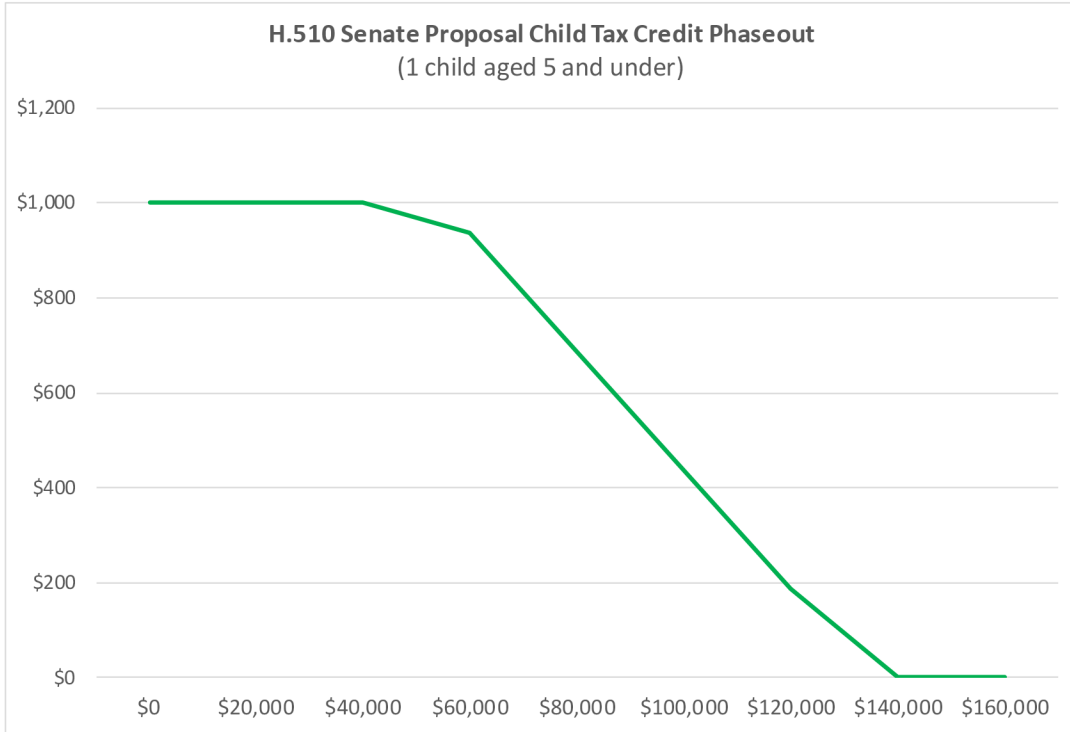
**6) Expand income thresholds for retirement exemptions in S.53 by \$5,000: -\$50,000**

- \$10,000 CSRS, non-Social Security, and military retirement exemption would phase out after the income limits for the Social Security exemption in 5)

**Details and Analysis**

**Child Tax Credit**

- Impacts just under 30,800 children



**Child and Dependent Care Credit**

Estimated Impacts of Proposed CDCC Expansion (Resident Tax Returns)					
Income Group		Number of Returns Impacted	Total Tax Change (in millions)	Average Tax Decrease	Effective Tax Rate Change
Negative	\$25,000	242	-\$0.07	-\$289.3	-1.35%
	\$25,000 \$50,000	2,003	-\$0.80	-\$399.4	-1.06%
	\$50,000 \$75,000	1,775	-\$0.72	-\$405.6	-0.64%
	\$75,000 \$100,000	2,101	-\$0.92	-\$437.9	-0.50%
	\$100,000 \$150,000	3,763	-\$1.57	-\$417.2	-0.34%
	\$150,000 \$200,000	1,653	-\$0.69	-\$417.4	-0.24%
	\$200,000 \$300,000	909	-\$0.36	-\$396.0	-0.17%
	\$300,000 Infinity	492	-\$0.21	-\$426.8	-0.09%
<b>Total</b>		<b>12,938</b>	<b>-\$5.34</b>	<b>-\$412.7</b>	<b>-0.34%</b>

Social Security Exemption Expansion

<b>Tax Impacts of Social Security Threshold Change</b>				
		<b>Tax Returns Impacted</b>	<b>Total Tax Impact (in millions)</b>	<b>Average Tax Cut</b>
Negative	\$40,000	0	\$0.00	\$0
\$40,000	\$50,000	1,170	-\$0.14	-\$123
\$50,000	\$60,000	2,312	-\$0.56	-\$241
\$60,000	\$70,000	2,848	-\$0.70	-\$247
\$70,000	\$80,000	1,472	-\$0.27	-\$184
\$80,000	Infinity	0	\$0.00	\$0
<b>Total</b>		<b>7,802</b>	<b>-\$1.67</b>	<b>-\$215</b>