

Senate H.510 Proposal
Fiscal Impacts

Total Proposal Cost: \$32.02 million

- **\$17.75 million in additional revenues compared to the House**
- Leaves \$4.25 million for additional spending discussed by the committee, including:
 - Additional assistance to the Aid to the Aged, Blind, and Disabled program
 - Childcare worker compensation enhancements or bonuses

Tax Proposals

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 gone by \$135,000

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

- 100% of the Federal Credit
- Fully refundable

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

- Limited by income: \$120,000 for single filers, \$200,000 for married filers

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

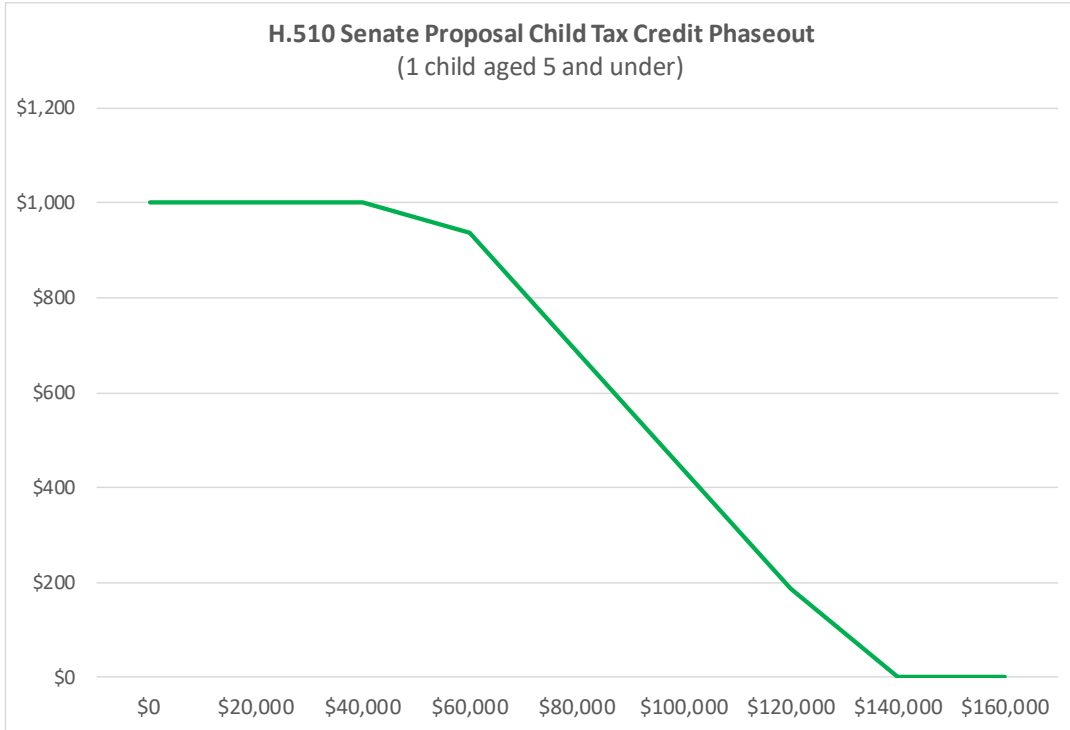
6) Expand income thresholds for retirement exemptions in S.53 by \$5,000: -\$50,000

- \$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%
Total		12,938	-\$5.34	-\$412.7	-0.34%

Prepared by the Joint Fiscal Office
April 20, 2022

Social Security Exemption Expansion

Tax Impacts of Social Security Threshold Change				
		Tax Returns Impacted	Total Tax Impact (in millions)	Average Tax Cut
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
Total		7,802	-\$1.67	-\$215