



Biden Administration COVID Relief Payments

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<https://budgetmodel.wharton.upenn.edu/estimates/2021/2/4/biden-administration-covid-relief-payments>

Summary: Among other provisions, the Biden administration's proposed stimulus plan* includes another round of Economic Income Payments (EIPs). The EIPs would provide direct payments of \$1,400 per person (dependents would also receive the full value), phasing out at a rate of 5 cents per dollar above \$75,000 in income (\$150,000 for married filers). PWBM projects that this provision would cost \$477 billion, with 95 percent of families receiving a stimulus check.

* <https://www.washingtonpost.com/us-policy/2021/01/14/biden-stimulus-covid-relief/>

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Table 1: Distribution of Federal Tax Change under the Proposal

Income Group	Average benefit	Share receiving rebate	Average rebate (conditioned on receipt)		
			Percent change in after-tax income	Share of benefit	
Bottom quintile	\$1,970	100%	\$1,970	41%	20%
Second quintile	\$2,825	100%	\$2,825	11%	22%
Middle quintile	\$2,950	100%	\$2,950	6%	22%
Fourth quintile	\$3,290	96%	\$3,435	4%	21%
80-90%	\$3,875	87%	\$4,465	3%	10%
90-95%	\$2,545	74%	\$3,435	1%	3%
95-99%	\$705	23%	\$3,070	0%	1%
99-99.9%	\$10	1%	\$1,095	0%	0%
Top 0.1%	\$0	0%	\$0	0%	0%

Note: "Income" is defined as AGI plus: above-the-line deductions, nontaxable interest income, nontaxable Social Security benefits, nontaxable pensions and annuities, employer-side payroll taxes, and corporate liability. Note that this definition excludes transfer income and thus understates low-income tax units' income.