



Congressional Democrats' COVID Relief Payments

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<https://budgetmodel.wharton.upenn.edu/estimates/2021/2/3/congressional-democrats-covid-relief-payments>

Summary: Congressional Democrats released an alternative* to the Biden administration's proposed stimulus plan that would narrow eligibility of the stimulus checks. The plan would offer 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 \$50,000 in income (\$100,000 for married filers). PWBM projects that this provision would cost \$439 billion, with 91 percent of families receiving a check.

* <https://www.washingtonpost.com/us-policy/2021/02/02/biden-stimulus-checks/>

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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%	22%
Second quintile	\$2,825	100%	\$2,825	11%	24%
Middle quintile	\$2,880	100%	\$2,880	6%	23%
Fourth quintile	\$2,975	85%	\$3,505	4%	21%
80-90%	\$2,655	78%	\$3,400	2%	8%
90-95%	\$1,320	47%	\$2,820	1%	2%
95-99%	\$360	12%	\$2,975	0%	0%
99-99.9%	\$0	0%	\$620	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.