



GOP COVID Relief Payments

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

Summary: Several GOP senators have proposed an alternative* to the Biden administration's proposed COVID relief bill. Among other provisions, the plan would offer direct payments of \$1,000 per adult (with an additional \$500 for dependents), phasing out at a rate of 10 cents per dollar above \$40,000 in income (\$80,000 for married filers). PWBM projects that this provision would cost \$225 billion.

* <https://www.washingtonpost.com/us-policy/2021/01/31/gop-stimulus-compromise/>

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Table 1: Distribution of Federal Tax Change under the Proposal

Income group	Percent change in			
	Average benefit	Share receiving rebate	after-tax income	Share of benefit
Bottom quintile	1,300	100%	27%	28%
Second quintile	1,685	100%	7%	27%
Middle quintile	1,560	84%	3%	24%
Fourth quintile	1,195	59%	2%	16%
80-90%	415	20%	0%	2%
90-95%	215	9%	0%	1%
95-99%	25	2%	0%	0%
99-99.9%	0	0%	0%	0%
Top 0.1%	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.