



## **Economic Assistance Payments in the Take Responsibility for Workers and Families Act**

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<https://budgetmodel.wharton.upenn.edu/estimates/2020/3/24/take-responsibility-for-workers-and-families-act>

Summary: Take Responsibility for Workers and Families Act would provide families with emergency “economic assistance payments”. The House's version of the bill as of Monday, March 23rd 2020 would provide individuals with an advance refundable credit worth \$1,500 (\$2,500 for married couples) plus \$1,500 for qualifying dependent children. These payments would begin to phase out starting at \$75,000 in AGI (\$150,000 for married couples and \$112,500 for heads of household). PWBM projects that the rebates would cost \$400 billion.

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**Table 1: Distribution of Federal Tax Change Under Take Responsibility for Workers and Families Act**

Income group	Average benefit	Share receiving rebate	Percent change in after tax income	Share of benefit	Share of federal taxes paid	
					Under current law	Under the proposal
Bottom quintile	\$1,835	100.0%	61.0%	21.7%	0.1%	-3.4%
Second quintile	\$2,540	100.0%	11.1%	23.1%	2.3%	-1.0%
Middle quintile	\$2,605	100.0%	6.1%	22.8%	10.3%	8.3%
Fourth quintile	\$2,870	97.2%	3.7%	21.7%	19.2%	18.7%
80-90%	\$3,065	82.5%	2.6%	9.5%	14.9%	15.8%
90-95%	\$795	55.3%	0.5%	1.2%	10.9%	12.5%
95-99%	\$0	0.0%	0.0%	0.0%	16.3%	19.0%
99-99.9%	\$0	0.0%	0.0%	0.0%	12.7%	14.8%
Top 0.1%	\$0	0.0%	0.0%	0.0%	13.1%	15.2%

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.