

Before and After TCJA: The Child Tax Credit

SUMMARY POINTS

- The Tax Cuts and Jobs Act of 2017 (TCJA) introduced several expansions to the Child Tax Credit (CTC), including doubling the maximum benefit to \$2,000 per child and expanding eligibility for higher-income families. Those expansions had been scheduled to sunset at the end of 2025, but the recently enacted One Big Beautiful Bill Act (OBBBA) permanently increased the maximum benefit to \$2,200 and set it to rise with inflation.
- Post-TCJA, aggregate CTC benefits claimed more than doubled — from \$51.4 billion to \$117.7 billion — between 2017 and 2018, mostly from a rise in nonrefundable CTC benefits.
- Aggregate CTC benefits rose across the income distribution, with middle- and high-income families receiving the largest increases. Aggregate benefits for families making between \$25,000 and \$50,000 rose from \$16.0 billion in 2017 to \$30.4 billion in 2018; those making \$100,000 to \$200,000 saw an increase from \$5.2 billion to \$26.4 billion.
- Average refundable benefits rose from \$1,336 to \$1,772, while nonrefundable benefits increased from \$1,218 to \$2,070.
- Aggregate CTC benefits increased at similar levels across states, roughly doubling in each.

INTRODUCTION

The Child Tax Credit (CTC) is one of several tax credits designed to benefit families with children, delivering over \$100 billion a year to US families through a combination of tax reductions and direct payments. The recently enacted One Big Beautiful Bill Act of 2025 (OBBBA) increased the maximum CTC benefit to \$2,200 beginning in 2025. Prior to OBBBA, the maximum CTC was \$2,000, a level set by the 2017 Tax Cuts and Jobs Act (TCJA), which also expanded eligibility to higher-income families. This brief provides an overview of the CTC, focusing on the reforms introduced by TCJA that OBBBA preserved and expanded upon.

WHAT IS THE CTC?

The CTC is a per-child tax credit. It phases in at a 15% rate starting at \$2,500 in annual income. So, for every \$100 in annual income earned above \$2,500, the credit increases by \$15 until it reaches the maximum benefit. Families can claim the credit for each child under 17 in their household.

A portion of the CTC is also refundable, so if a family's credit exceeds their tax liability, they still receive at least part of the benefit as a direct payment. The refundable part is administered as a separate tax credit, called the Additional Child Tax Credit.

Families can also claim an additional nonrefundable \$500 credit for each dependent who is an adult, like elderly or disabled relatives.

POLICY CHANGE

TCJA both increased the size of the CTC benefit and expanded the number of eligible families.

Starting in 2018, the maximum CTC benefit rose from \$1,000 to \$2,000 per child. The 15% phase-in rate did not change, but the income level where the phase-in begins dropped from \$3,000 to \$2,500.

The pre-TCJA \$1,000 maximum was fully refundable. Although TCJA doubled the maximum benefit, it limited the refundable portion of the credit to \$1,400 and set it to increase with inflation annually until it reaches \$2,000. The refundable portion has since increased to \$1,700 as of 2025.

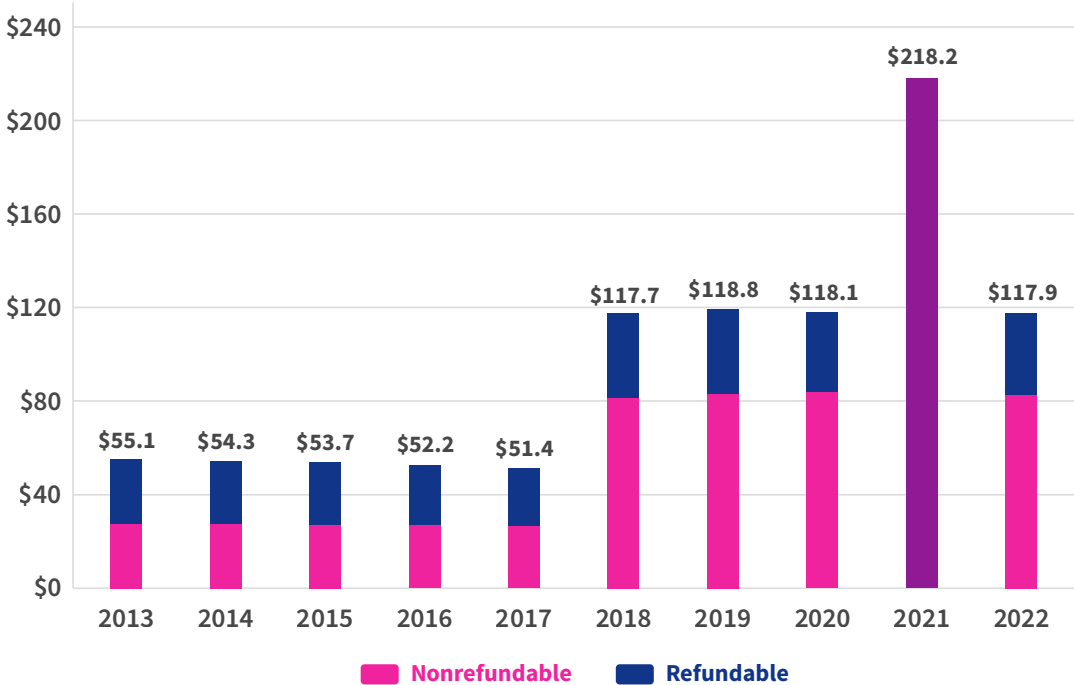
Lastly, TCJA expanded eligibility for higher-income families by increasing the start of the credit phase out from \$75,000 to \$200,000 for single filers and from \$110,000 to \$400,000 for those married filing jointly. The law maintained the same phaseout rates used prior to TCJA, with the benefit declining by \$50 for each \$1,000 earned above the maximum income level. The benefit declines at that rate from the total credit a family receives — \$2,000 for parents with one child, \$4,000 for those with two children, etc.

This version of the CTC would have expired at the end of 2025 along with several other individual income tax provisions enacted by TCJA. However, OBBBA permanently increased the maximum CTC to \$2,200 in 2025, and set the maximum benefit to increase annually with inflation starting in 2026. It also made the phase-in and phase-out schedules introduced by TCJA permanent.

RAPID RISE IN AGGREGATE CTC BENEFITS

Aggregate CTC benefits more than doubled after TCJA.

Aggregate CTC benefits (\$ billions), 2013–2022



Source: Internal Revenue Service, Statistics of Income

Since the refundable and nonrefundable portions of the CTC are administered as separate credits, the Internal Revenue Service (IRS) reports data on each separately. Adding the data together gives us total aggregate CTC benefits. Additionally, the IRS-reported data on the CTC includes the nonrefundable \$500 credit available for adult dependents.

Aggregate CTC benefits — the sum of both refundable and nonrefundable credits — increased from \$51.4 billion in 2017 to \$117.7 billion in 2018. Aggregate benefits relative to aggregate adjusted gross income (AGI) rose from 0.5% to 1.0%. The bulk of the increase came from nonrefundable credits: Refundable CTC benefits, which typically go to low-income families, increased from \$24.5 billion to \$36.2 billion, while nonrefundable benefits rose from \$26.9 billion to \$81.5 billion.

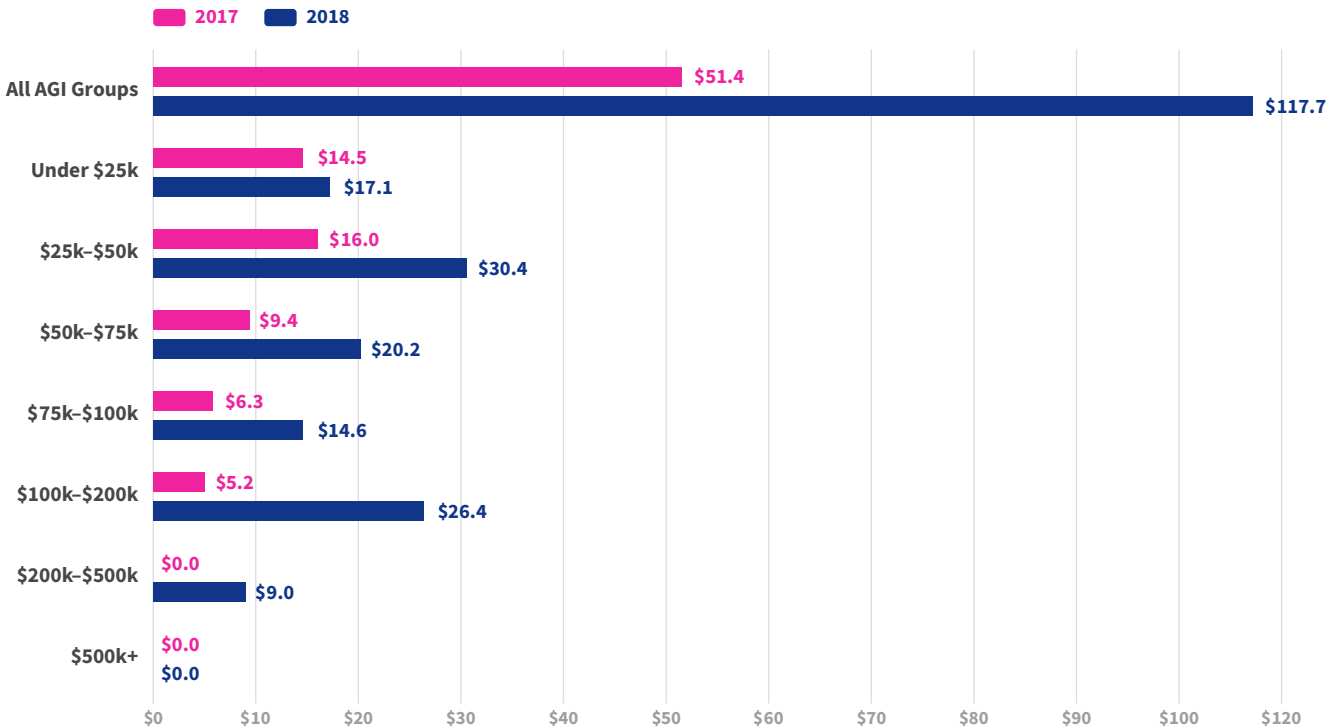
Benefits temporarily spiked again in 2021 when lawmakers enacted the American Rescue Plan Act (ARPA) in response to the COVID-19 pandemic; aggregate CTC benefits increased from \$118.1 billion in 2020 to \$218.2 billion in 2021 (equivalent to 1.5% of aggregate AGI). ARPA increased the maximum CTC to \$3,600 for children under 6 and to \$3,000 for children aged 6 to 17. It also eliminated the phase-in entirely and made the credit fully refundable so families with no income could get the full benefit per-child. These expansions expired at the end of 2021, and aggregate CTC benefits returned to pre-2021 levels (\$117.9 billion) in 2022.

While the remainder of this analysis focuses on the reforms introduced by TCJA, those introduced by ARPA temporarily had a notable impact on CTC benefits. Due to limitations in the data, this data brief is not able to provide a deeper analysis of CTC benefits in 2021 that is consistent with other years.

CTC BENEFITS BY INCOME LEVEL

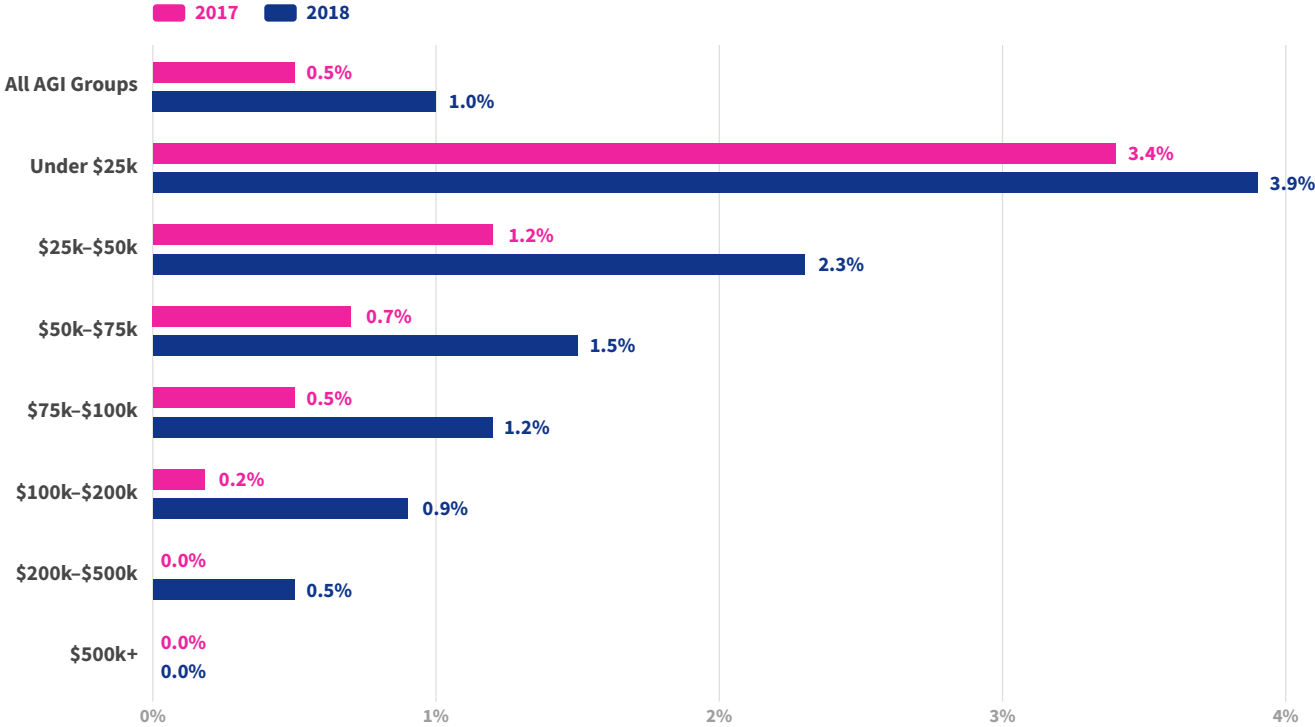
TCJA’s enactment was followed by an increase in aggregate CTC benefits at most income levels. The below tables show benefits by AGI groups – the income measure the IRS uses to determine taxes owed each year.

Aggregate CTC benefits by AGI (\$ billions), 2017–2018



Source: [Internal Revenue Service, Statistics of Income](#)

Aggregate CTC benefits relative to aggregate AGI by AGI, 2017–2018



Source: [Internal Revenue Service, Statistics of Income](#)

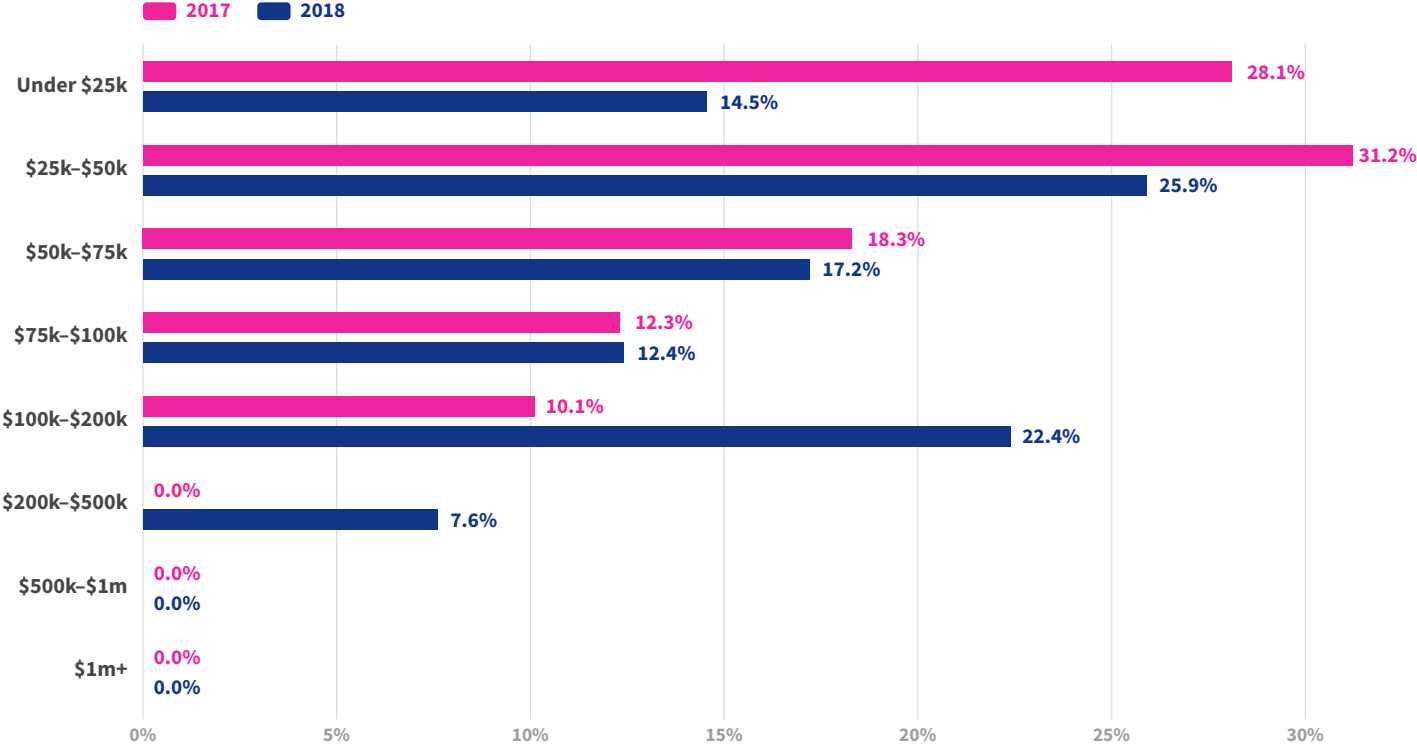
With TCJA both increasing the maximum credit and expanding eligibility to higher earners, the rise in aggregate benefits is more notable at middle- and high-income levels.

In 2017, families earning less than \$25,000 claimed \$14.5 billion in CTC benefits, equivalent to 3.4% of their aggregate AGI. Their claims increased to \$17.1 billion in 2018, 3.9% of their aggregate AGI.

For those earning between \$25,000 to \$50,000, aggregate benefits nearly doubled from \$16 billion (equivalent to 1.2% of their aggregate AGI) to \$30.4 billion (2.3% of their aggregate AGI). Families making between \$100,000 and \$200,000 saw benefits rise from \$5.2 billion (0.2% of their aggregate AGI) to \$26.4 billion (0.9%), and those making \$200,000 to \$500,000 had an increase from zero to \$9 billion (0.5% of their aggregate AGI).

While aggregate benefits rose across the board, the distribution of benefits also began skewing toward middle- and high-income groups as income eligibility expanded:

Distribution of aggregate CTC benefits, 2017–2018



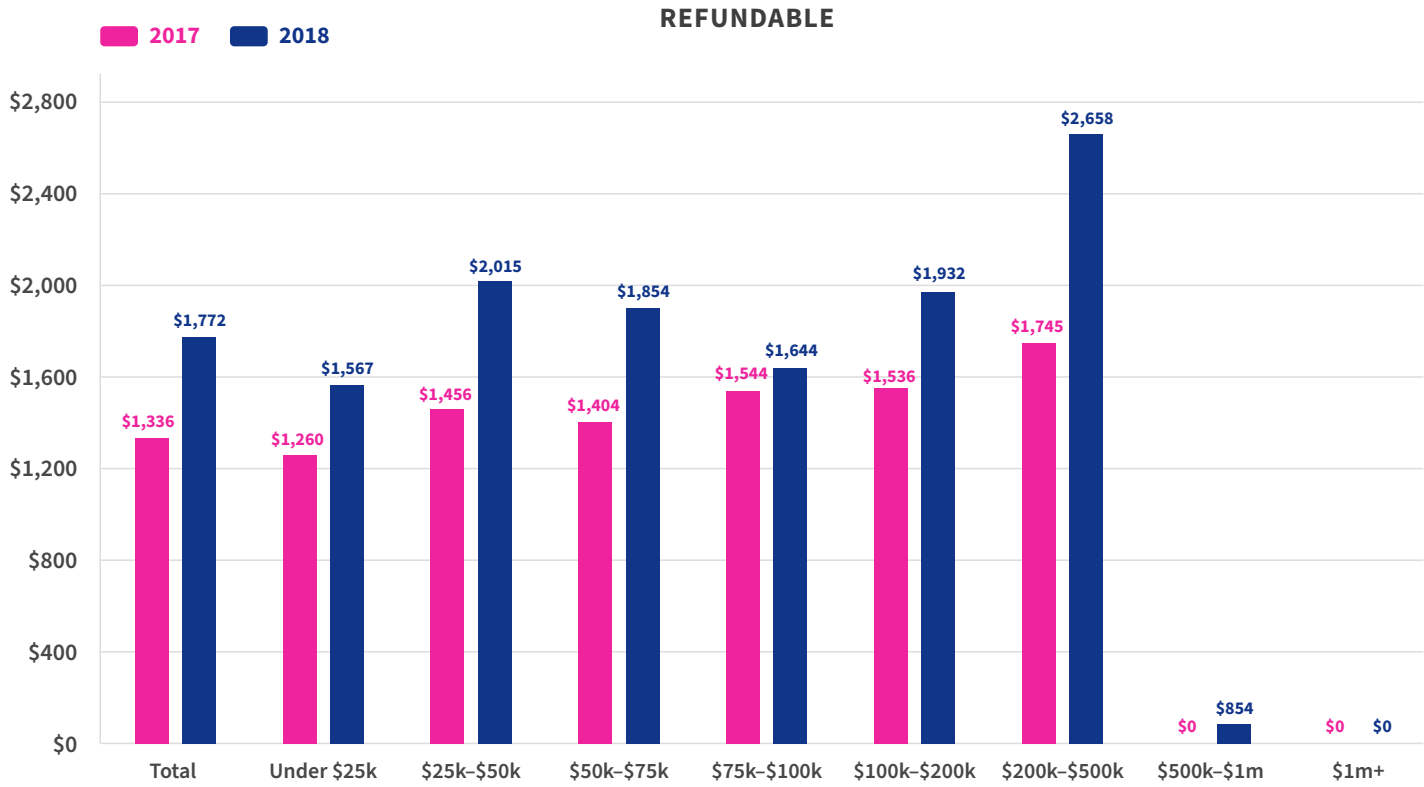
Source: [Internal Revenue Service, Statistics of Income](#)

In particular, the percentage of aggregate CTC benefits going to those earning over \$100,000 per year increased from 10.1% in 2017 to 30.0% in 2018, while the share going to sub-\$50,000 earners dropped from 59.3% to 40.4%. Of note, although aggregate benefits rose among those earning under \$50,000, their share of benefits declined because higher income earners became eligible and started receiving the tax credit for the first time.

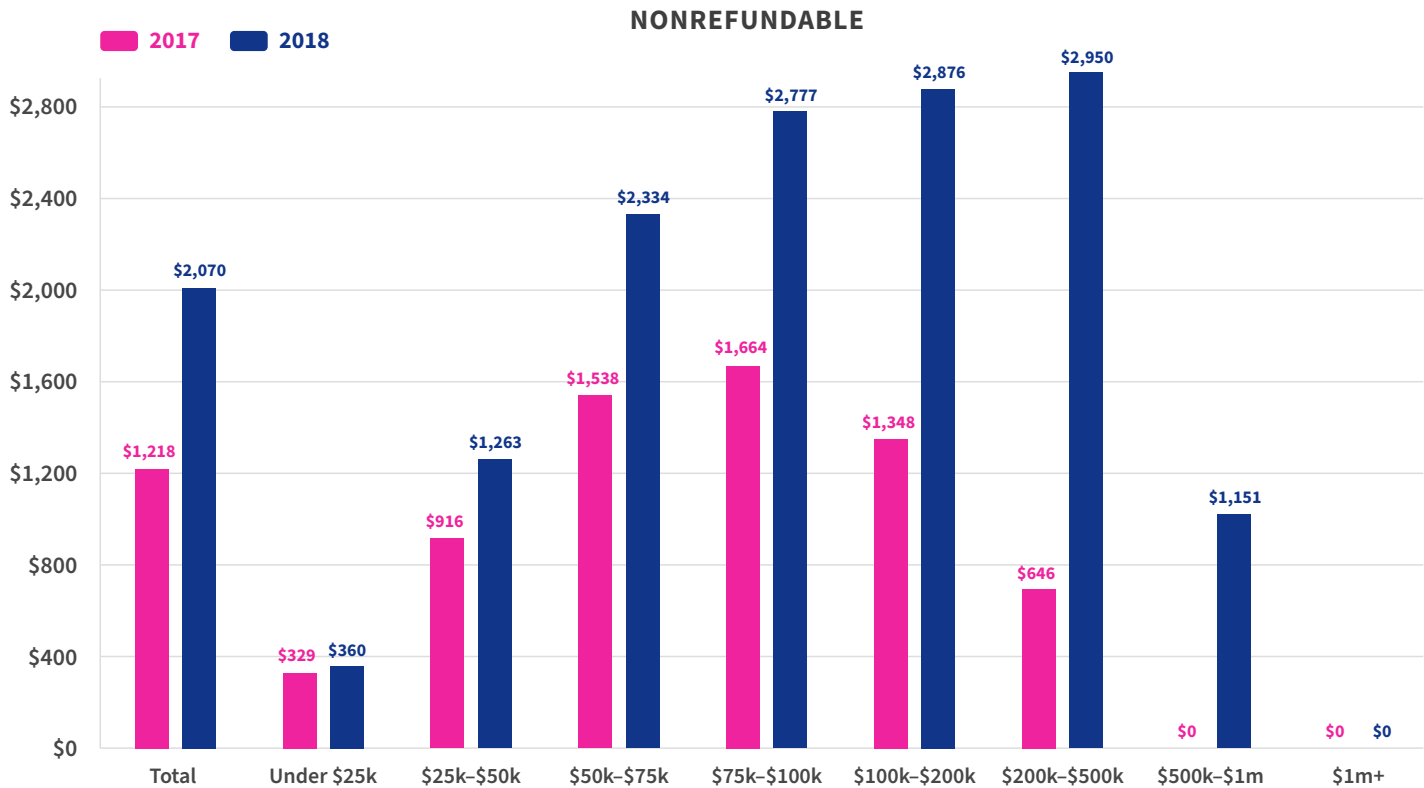
AVERAGE CTC BENEFITS

The average CTC benefit increased across the income distribution and for both refundable and nonrefundable credits.

Average CTC claimed by AGI, 2017–2018



Source: [Internal Revenue Service, Statistics of Income](#)



Source: [Internal Revenue Service, Statistics of Income](#)

Average nonrefundable CTC benefits increased by more than refundable benefits. Across all AGI groups, the average refundable CTC benefit rose from \$1,336 in 2017 to \$1,772 in 2018 while the nonrefundable average went from \$1,218 to \$2,070. (Since the CTC is a per-child benefit and many parents claim the credit for multiple children, averages can be higher than the per-child maximum).

The most apparent average benefit increases were in the nonrefundable credits claimed by middle- and high-income groups. The average nonrefundable claim increased from \$1,538 to \$2,334 for families making \$50,000 to \$75,000, from \$1,664 to \$2,777 in the \$75,000 to \$100,000 group, and from \$1,348 to \$2,876 among those making \$100,000 to \$200,000.

Meanwhile, lower-income families were more impacted by the expansion of the refundable CTC. The average refundable CTC for families making under \$25,000 increased from \$1,260 to \$1,567. In the \$25,000 to \$50,000 group, it went from \$1,456 to \$2,015.

These two groups saw less of an increase in their nonrefundable CTC — from \$329 to \$360 and \$916 to \$1,263, respectively. This smaller rise in the nonrefundable credit reflects, in part, families who are eligible for both the refundable and nonrefundable credits.

Although many families claim both refundable and nonrefundable CTC benefits, data limitations mean that this brief is only able to report separate averages and cannot calculate a combined average CTC benefit. IRS data reports the number of refundable and nonrefundable CTC credits claimed but does not identify the tax returns claiming both. Although we are able to combine aggregate refundable and nonrefundable dollars to calculate a total aggregate dollar value for benefits claimed, we cannot calculate the total number of unique CTC claims needed to calculate a combined average.

CTC CLAIMS BY STATE

Aggregate CTC benefits expanded similarly in every state, roughly doubling. California's aggregate benefits increased from \$5.9 billion in 2017 to \$14.1 billion in 2018, the highest among all states in each year. However, California also has the largest population. Its aggregate benefits were equivalent to 0.4% and 0.9% of aggregate AGI in 2017 and 2018, respectively, which were both lower than in a number of other states.

In states with lower median incomes than California, the CTC was equivalent to a larger share of state aggregate AGI. In Mississippi, aggregate CTC benefits were equivalent to 0.9% of the state's aggregate AGI in 2017, and 1.7% in 2018.

The average refundable CTC increased fairly similarly across most states, while the average nonrefundable credit varied more. California's average refundable credit rose from \$1,334 to \$1,782, and Mississippi's went from \$1,289 to \$1,703. However, their nonrefundable credits increased from \$1,168 to \$2,004 (California) and \$1,111 to \$1,706 (Mississippi).

CTC claims by state, 2017–2018

	MEDIAN INCOME, 2017	POPULATION, 2017 (MILLIONS)	AGGREGATE CTC CLAIMS (IN \$ BILLIONS)		CTC BENEFITS RELATIVE TO AGGREGATE AGI		AVERAGE REFUNDABLE CTC		AVERAGE NONREFUNDABLE CTC	
			2017	2018	2017	2018	2017	2018	2017	2018
AL	\$48,123	4.9	\$0.8	\$1.7	0.7%	1.4%	\$1,315	\$1,731	\$1,174	\$1,866
AK	\$73,181	0.7	\$0.1	\$0.3	0.5%	1.1%	\$1,396	\$1,874	\$1,262	\$2,410
AZ	\$56,581	7.0	\$1.2	\$2.6	0.6%	1.2%	\$1,407	\$1,872	\$1,219	\$2,039
AR	\$45,869	3.0	\$0.5	\$1.1	0.7%	1.4%	\$1,334	\$1,782	\$1,190	\$1,929
CA	\$71,805	39.5	\$5.9	\$14.1	0.4%	0.9%	\$1,325	\$1,763	\$1,168	\$2,004
CO	\$69,117	5.6	\$0.8	\$2.0	0.4%	0.9%	\$1,351	\$1,811	\$1,276	\$2,317
CT	\$74,168	3.6	\$0.4	\$1.2	0.2%	0.7%	\$1,239	\$1,668	\$1,163	\$2,104
DE	\$62,852	1.0	\$0.1	\$0.3	0.5%	1.0%	\$1,300	\$1,747	\$1,169	\$1,999
DC	\$82,372	0.7	\$0.1	\$0.2	0.2%	0.5%	\$1,205	\$1,622	\$971	\$1,779
FL	\$52,594	21.0	\$3.2	\$6.7	0.4%	0.9%	\$1,304	\$1,722	\$1,104	\$1,769
GA	\$56,183	10.4	\$1.8	\$3.8	0.6%	1.2%	\$1,354	\$1,770	\$1,142	\$1,890
HI	\$77,765	1.4	\$0.2	\$0.5	0.5%	1.1%	\$1,349	\$1,823	\$1,261	\$2,187
ID	\$52,225	1.7	\$0.3	\$0.7	0.7%	1.5%	\$1,473	\$2,011	\$1,413	\$2,474
IL	\$62,992	12.8	\$1.9	\$4.6	0.4%	0.9%	\$1,329	\$1,759	\$1,215	\$2,118
IN	\$54,181	6.7	\$1.1	\$2.5	0.6%	1.3%	\$1,337	\$1,796	\$1,300	\$2,207
IA	\$58,570	3.1	\$0.5	\$1.2	0.6%	1.2%	\$1,365	\$1,834	\$1,364	\$2,428
KS	\$56,422	2.9	\$0.5	\$1.1	0.6%	1.2%	\$1,397	\$1,885	\$1,334	\$2,331
KY	\$48,375	4.5	\$0.7	\$1.5	0.7%	1.3%	\$1,300	\$1,735	\$1,234	\$2,061
LA	\$46,145	4.7	\$0.8	\$1.7	0.7%	1.4%	\$1,288	\$1,691	\$1,158	\$1,895
ME	\$56,277	1.3	\$0.2	\$0.4	0.5%	1.0%	\$1,242	\$1,698	\$1,230	\$2,076
MD	\$80,776	6.1	\$0.8	\$2.2	0.4%	0.9%	\$1,290	\$1,719	\$1,159	\$2,114
MA	\$77,385	6.9	\$0.7	\$2.2	0.2%	0.6%	\$1,207	\$1,637	\$1,172	\$2,200
MI	\$54,909	10.0	\$1.5	\$3.4	0.5%	1.1%	\$1,341	\$1,776	\$1,274	\$2,163
MN	\$68,388	5.6	\$0.9	\$2.2	0.4%	1.0%	\$1,397	\$1,886	\$1,340	\$2,469
MS	\$43,529	3.0	\$0.6	\$1.1	0.9%	1.7%	\$1,289	\$1,703	\$1,111	\$1,706
MO	\$53,578	6.1	\$1.0	\$2.2	0.6%	1.2%	\$1,335	\$1,796	\$1,262	\$2,146
MT	\$53,386	1.1	\$0.2	\$0.4	0.5%	1.1%	\$1,347	\$1,826	\$1,339	\$2,343
NE	\$59,970	1.9	\$0.3	\$0.8	0.6%	1.3%	\$1,410	\$1,899	\$1,365	\$2,439
NV	\$58,003	3.0	\$0.5	\$1.1	0.6%	1.1%	\$1,363	\$1,803	\$1,186	\$1,948
NH	\$73,381	1.3	\$0.2	\$0.4	0.3%	0.8%	\$1,213	\$1,643	\$1,251	\$2,283
NJ	\$80,088	9.0	\$1.1	\$3.2	0.3%	0.8%	\$1,296	\$1,730	\$1,145	\$2,094
NM	\$46,744	2.1	\$0.4	\$0.7	0.7%	1.4%	\$1,303	\$1,754	\$1,188	\$1,906
NY	\$64,894	19.8	\$2.6	\$6.3	0.3%	0.7%	\$1,301	\$1,730	\$1,132	\$1,947
NC	\$52,752	10.3	\$1.7	\$3.6	0.6%	1.2%	\$1,310	\$1,741	\$1,171	\$1,957
ND	\$61,843	0.8	\$0.1	\$0.3	0.5%	1.1%	\$1,341	\$1,813	\$1,403	\$2,636
OH	\$54,021	11.7	\$1.8	\$4.1	0.5%	1.1%	\$1,312	\$1,754	\$1,267	\$2,145
OK	\$50,051	3.9	\$0.7	\$1.4	0.7%	1.4%	\$1,374	\$1,839	\$1,256	\$2,101
OR	\$60,212	4.1	\$0.6	\$1.4	0.4%	1.0%	\$1,361	\$1,829	\$1,266	\$2,222
PA	\$59,195	12.8	\$1.7	\$4.3	0.4%	0.9%	\$1,278	\$1,721	\$1,243	\$2,161
RI	\$63,870	1.1	\$0.1	\$0.3	0.4%	0.9%	\$1,220	\$1,663	\$1,155	\$1,993
SC	\$50,570	5.0	\$0.8	\$1.7	0.6%	1.2%	\$1,299	\$1,734	\$1,167	\$1,907
SD	\$56,521	0.9	\$0.2	\$0.3	0.6%	1.2%	\$1,391	\$1,892	\$1,399	\$2,476
TN	\$51,340	6.7	\$1.1	\$2.4	0.6%	1.2%	\$1,328	\$1,760	\$1,201	\$1,955
TX	\$59,206	28.3	\$5.3	\$11.4	0.6%	1.2%	\$1,397	\$1,843	\$1,201	\$2,032
UT	\$68,358	3.1	\$0.7	\$1.6	0.8%	1.6%	\$1,555	\$2,069	\$1,557	\$2,859
VT	\$57,513	0.6	\$0.1	\$0.2	0.4%	0.9%	\$1,239	\$1,689	\$1,242	\$2,157
VA	\$71,535	8.5	\$1.2	\$3.1	0.4%	0.9%	\$1,305	\$1,748	\$1,216	\$2,181
WA	\$70,979	7.4	\$1.1	\$2.8	0.4%	0.8%	\$1,368	\$1,850	\$1,288	\$2,307
WV	\$43,469	1.8	\$0.3	\$0.6	0.6%	1.3%	\$1,269	\$1,707	\$1,251	\$2,056
WI	\$59,305	5.8	\$0.9	\$2.1	0.5%	1.1%	\$1,349	\$1,799	\$1,324	\$2,353
WY	\$60,434	0.6	\$0.1	\$0.2	0.5%	1.0%	\$1,355	\$1,844	\$1,418	\$2,550

Source: [Internal Revenue Service, Statistics of Income; Census Bureau, American Community Survey](#)

TAX DATA CHALLENGES

All of the data discussed in this explainer are compiled and published by the IRS's Statistics of Income (SOI). While these data provide valuable insight, statistical systems that use tax data face several challenges. As such, policymakers and analysts have limited information to evaluate the effect of previous tax policy and the potential impact of new proposals. Some of the limitations in tax data include:

Delays

There are major delays in tax data.

- Tabulated topline data typically lags two to three years, with the most recent individual and corporate income tax data being from 2022 and 2021, respectively.
- The latest public-use file, which provides detailed microdata on individual income tax returns, is from 2015, and there is no public-use file on corporate income tax returns. This means that economists are still unable to perform deeper analyses of the impact of TCJA (enacted in 2017) on investment, work, and earnings. Moreover, they are also forced to rely on decade-old data when attempting to forecast the potential impact of new policy changes into the 2030s.

Unpublished data

Despite gathering significant amounts of information from businesses, workers, families, and educational institutions, among others, the IRS has been unable to publish data on several key topics Americans care about, such as health insurance and student debt.

Website

Tax data is not easily accessible on the IRS's website. Users must have a strong working knowledge of existing tables and the US tax system to answer simple questions.

Informational technology

The IRS runs on outdated hardware, meaning that SOI is unable to leverage modern tools, such as AI and machine reading, to efficiently prepare data for the public.

Talent

SOI relies on a team of statisticians, data scientists, and other specialized professionals to produce data for the public. However, it has long faced a resource-constrained environment with limited staffing. This impacts SOI's capacity to release data, contributing to delays and unpublished data.

APPENDIX: DETAILED TABLES

Aggregate CTC benefits (\$ billions), 2013–2022

Year	Total	Nonrefundable	Refundable
2013	\$55.1	\$27.2	\$27.9
2014	\$54.3	\$27.2	\$27.1
2015	\$53.7	\$27.1	\$26.6
2016	\$52.2	\$26.8	\$25.4
2017	\$51.4	\$26.9	\$24.5
2018	\$117.7	\$81.5	\$36.2
2019	\$118.8	\$83.1	\$35.7
2020	\$118.1	\$84.4	\$33.7
2021	\$218.2	n/a	n/a
2022	\$117.9	\$83.0	\$34.8

Source: [Internal Revenue Service, Statistics of Income](#)

Aggregate CTC benefits by AGI (\$ billions), 2017–2018

AGI Group	2017	2018
All AGI groups	\$51.4	\$117.7
Under \$25k	\$14.5	\$17.1
\$25k–\$50k	\$16.0	\$30.4
\$50k–\$75k	\$9.4	\$20.2
\$75k–\$100k	\$6.3	\$14.6
\$100k–\$200k	\$5.2	\$26.4
\$200k–\$500k	\$0.0	\$9.0
\$500k–\$1m	\$0.0	\$0.0
\$1m+	\$0.0	\$0.0

Source: [Internal Revenue Service, Statistics of Income](#)

APPENDIX: DETAILED TABLES

Aggregate CTC benefits relative to aggregate AGI by AGI, 2017–2018

AGI Group	2017	2018
All AGI groups	0.5%	1.0%
Under \$25k	3.4%	3.9%
\$25k–\$50k	1.2%	2.3%
\$50k–\$75k	0.7%	1.5%
\$75k–\$100k	0.5%	1.2%
\$100k–\$200k	0.2%	0.9%
\$200k–\$500k	0.0%	0.5%
\$500k–\$1m	0.0%	0.0%
\$1m+	0.0%	0.0%

Source: [Internal Revenue Service, Statistics of Income](#)

Distribution of aggregate CTC benefits, 2017–2018

AGI Group	2017	2018
Under \$25k	28.1%	14.5%
\$25k–50k	31.2%	25.9%
\$50k–\$75k	18.3%	17.2%
\$75k–\$100k	12.3%	12.4%
\$100k–\$200k	10.1%	22.4%
\$200k–\$500k	0.0%	7.6%
\$500k–\$1m	0.0%	0.0%
\$1m+	0.0%	0.0%

Source: [Internal Revenue Service, Statistics of Income](#)

APPENDIX: DETAILED TABLES

Average CTC claimed by AGI, 2017–2018

AGI Group	Refundable		Nonrefundable	
	2017	2018	2017	2018
Total	\$1,336	\$1,772	\$1,218	\$2,070
Under \$25k	\$1,260	\$1,567	\$329	\$360
\$25k–\$50k	\$1,456	\$2,015	\$916	\$1,263
\$50k–\$75k	\$1,404	\$1,854	\$1,538	\$2,334
\$75k–\$100k	\$1,544	\$1,644	\$1,664	\$2,777
\$100k–\$200k	\$1,536	\$1,932	\$1,348	\$2,876
\$200k–\$500k	\$1,745	\$2,658	\$646	\$2,950
\$500k–\$1m	\$0	\$854	\$0	\$1,151
\$1m+	\$0	\$0	\$0	\$0

Source: [Internal Revenue Service, Statistics of Income](#)