



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION

Limitations of Publicly Available Data?

How public use data match up with administrative data

Researchers Rely on Public Use Datasets for Tax Analysis



- Allows for demographic analysis
- Understand how taxes affect poverty/supplemental poverty measure
- Understand how taxes and transfers fit together for families

But...

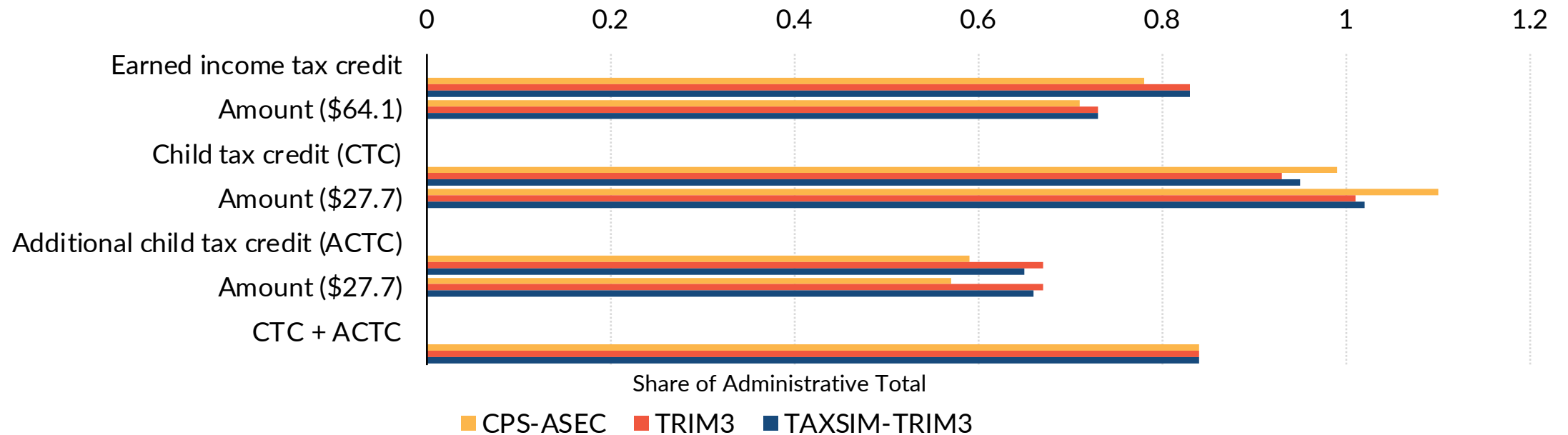
- Taxes are not directly reported in any dataset that can be used to calculate the Supplemental Poverty Measure (SPM)
- Nor are tax units – the foundation on which taxes (including the EITC and CTC) are calculated.
- Complex claiming rules for credits mean some rules cannot be modeled (e.g. married filing separate; bans on claiming; claiming child outside household)
- People using data make choices about how to implement some provisions

Refundable Credits *Low* Relative to Administrative Data



Alignment of Public-Use Data and Administrative Data

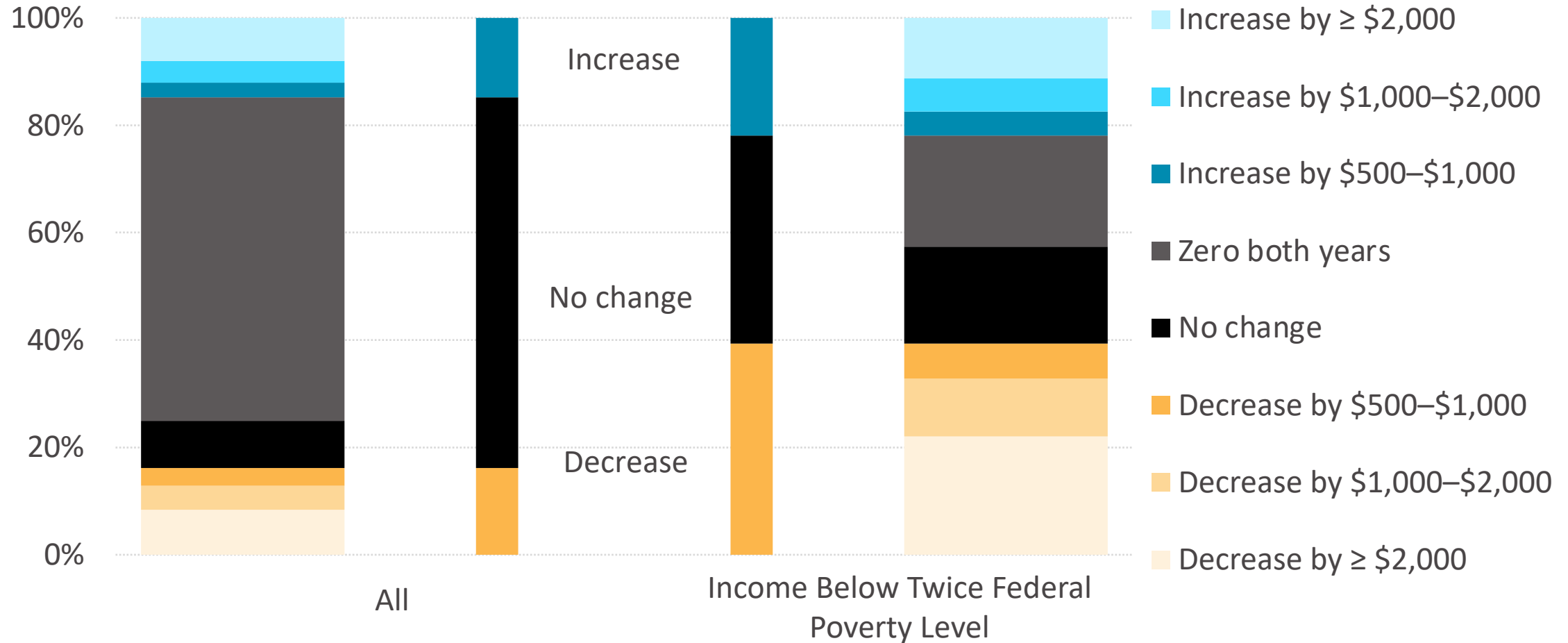
Tax Credits



Source: Wheaton and Stevens 2016.

Matched data from IRS-Census suggests national participation rate of just under 80 percent.

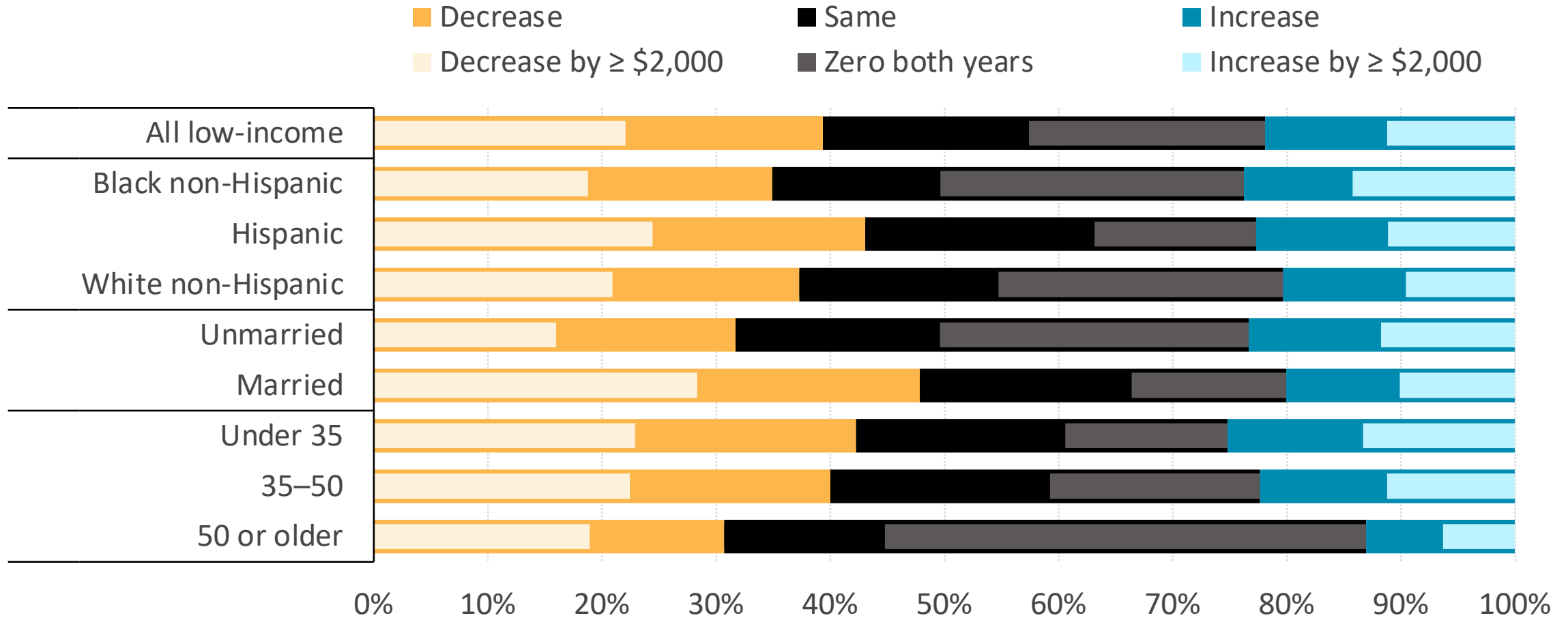
Magnitude of EITC Changes by Income



Source: Urban Institute TRIM3 model using data from Current Population Survey Outgoing Rotation Groups 2015–18.

Note: Sample includes households with one dependent child under age 18 in either year. No change is defined as a change of less than \$500.

EITC Changes by Household Head Characteristics



Source: Urban Institute TRIM3 model using data from Current Population Survey Outgoing Rotation Groups 2015–18.

Note: Sample includes households with one dependent child under age 18 in either year with incomes below twice federal poverty level in the first year observed. No change is defined as a change of less than \$500. Marital status only shown for those with same marital status in both years. Families with marital status changes excluded due to small sample size.