

Macro Roundup Article

Headline: [Taxes, Children, and the Zero Bracket](#)

Article

Link: <https://economistwritingeveryday.com/2024/08/07/taxes-children-and-the-zero-bracket/>

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Tweet: This year a married couple with 2 children can earn \$65,708 without paying federal income taxes; the same couple without children would owe \$4,000. @jmhorp notes the government already significantly subsidizes parents directly.

Summary: Having children is a choice, and most of the benefits are internal to the family, rather than external. I show the “zero bracket” — that is, how much income you can earn without paying any federal income taxes. The four households are: a single person with no children, a married couple with no children, a single person with two children (“head of household”), and a married couple with two children. All dollar amounts are inflation-adjusted to current dollars. For each taxpayer, I assume that they take the standard deduction and only take broadly available deductions and credits — such as the personal exemptions, Child Tax Credit, and Earned Income Credit. There are other credits available to parents of children, such as for childcare, but I don’t include those since not all parents will be able to use those. The chart also doesn’t include payroll taxes, but these taxes don’t differ based on the number of children.

Related Articles: Employment and Labor Supply Responses to the Child Tax Credit Expansion: Theory and Evidence and The Cost of Thriving Has Fallen: Correcting and Rejecting the American Compass Cost of Thriving Index and The Child Tax Credit Is a Failed Experiment

Primary Topic: Taxation

Topics: Demographics, Family/Marriage, Fiscal Policy, Op-Ed/Blog Post, Politics, Taxation, Workforce

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