INTEREST EXPENSE ON THE PUBLIC DEBT OUTSTANDING

The monthly Interest Expense represents the interest expense on the *Public Debt Outstanding* as of each month end. The interest expense on the Public Debt includes interest for *Treasury notes and bonds*; foreign and domestic series certificates of indebtedness, notes and bonds; *Savings Bonds*; as well as Government Account Series (GAS), *State and Local Government series (SLGs)*, and other special purpose securities. Amortized discount or premium on bills, notes and bonds is also included in interest expense.

The fiscal year Interest Expense represents the total interest expense on the Public Debt Outstanding for a given fiscal year. This includes the months of October through September.

Fiscal year 2000:	Interest expense
June	$75,884,057,388.85
May	26,802,350,934.54
April	19,878,902,328.72
March	20,889,017,596.95
February	20,778,646,308.19
January	19,689,955,250.71
December	73,267,794,917.58
November	25,690,033,589.51
October	19,373,192,333.69
Fiscal year total	302,253,950,648.74
Available historical data—fiscal year end:	
1999	353,511,471,722.87
1998	363,823,722,920.26
1997	355,795,834,214.66
1996	343,955,076,695.15
1995	332,413,555,030.62
1994	296,277,764,246.26
1993	292,502,219,484.25
1992	292,361,073,070.74
1991	286,021,921,181.04
1990	264,852,544,615.90
1989	240,863,231,535.71
1988	214,145,028,847.73

E-mail your questions and comments about this page.

Mr. HOLLINGS. I ask unanimous consent that table 23 of the midsession review by the President of the United States, dated June 26, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 23.—FEDERAL GOVERNMENT FINANCING AND DEBT

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Financing:													
Unified surplus or deficit (−)	211	228	224	236	255	268	286	304	332	364	416	500	547
Off-budget surplus:													
Social Security solvency lock-box:													
Social Security solvency transfers	....	....	....	....	....	....	....	....	....	....	....	123	147
Other Social Security surplus (including Postal)	148	160	176	191	204	226	239	256	273	288	306	316	335
Medicare HI solvency lock-box:													
Medicare solvency transfers	....	31	14	....	....	....	....	....	9	21	40	2	4
Other Medicare HI surplus	24	29	33	39	40	41	47	46	48	51	57	58	60
On-budget surplus	39	9	1	6	10	1	1	1	2	4	14	1	1
Means of financing other than borrowing from the public:													
Premiums paid (−) on buybacks of Treasury securities	−5	−2	....	....	....	....	....	....	....	....	....	....	....
Changes in:													
Treasury operating cash balance	6	10	....	....	....	....	....	....	....	....	....	....	....
Checks outstanding, deposit funds, etc.	−4	....	....	....	....	....	....	....	....	....	....	....	....
Seigniorage on coins	2	2	2	2	2	2	2	2	2	2	2	2	2
Less: Equity purchases by Social Security trust fund	....	....	....	....	....	....	....	....	....	....	....	−63	−82
Less: Net financing disbursements:													
Direct loan financing accounts	−27	−14	−18	−17	−16	−15	−15	−15	−15	−15	−15	−15	−15
Guaranteed loan financing accounts	....	1	1	1	2	2	2	2	2	2	2	3	3
Total, means of financing other than borrowing from the public	−27	−3	−14	−14	−12	−11	−12	−11	−11	−11	−11	−74	−93
Total, repayment of debt held by the public	185	225	210	222	243	257	274	293	321	353	406	426	454
Change in debt held by the public	−184	−225	−210	−222	−243	−257	−274	−293	−321	−353	−406	−426	−454
Debt Subject to Statutory Limitation, End of Year:													
Debt issued by Treasury	5,529	5,683	5,748	5,809	5,861	5,921	5,982	6,040	6,094	6,146	6,189	6,240	6,525
Adjustment for Treasury debt not subject to limitation and agency debt subject to limitation	−15	−15	−15	−15	−15	−15	−15	−15	−15	−15	−15	−15	−15
Adjustment for discount and premium	5	5	5	5	4	4	4	4	3	3	2	2	2
Total, debt subject to statutory limitation	5,519	5,673	5,737	5,798	5,850	5,910	5,971	6,028	6,082	6,134	6,176	6,227	6,511
Debt Outstanding, End of Year:													
Gross Federal debt:													
Debt issued by Treasury	5,529	5,683	5,748	5,809	5,861	5,921	5,982	6,040	6,094	6,146	6,189	6,240	6,525
Debt issued by other agencies	28	28	27	26	24	22	21	19	19	19	18	18	18
Total, gross Federal debt	5,557	5,711	5,774	5,834	5,885	5,943	6,003	6,060	6,113	6,165	6,208	6,259	6,543
Held by:													
Debt securities held as assets by Government accounts	2,108	2,487	2,760	3,042	3,335	3,651	3,985	4,334	4,708	5,113	5,561	6,038	6,543
Social Security	1,005	1,165	1,341	1,532	1,737	1,963	2,201	2,457	2,729	3,014	3,318	3,692	4,090
Federal employee retirement	681	718	756	792	828	864	899	932	965	997	1,027	1,056	1,085
Other	422	604	663	718	770	823	885	944	1,014	1,102	1,216	1,290	1,368
Debt securities held as assets by the public	3,449	3,224	3,014	2,792	2,550	2,293	2,018	1,726	1,405	1,052	646	220	....

Mr. HOLLINGS. Mr. President, right to the point. Surplus, surplus, everywhere man cries surplus—paraphrasing Patrick Henry. But there is no surplus.

I know not, of course, what others may say, but as for me, I want to pay down the debt rather than engage in this shabby charade. As a result, the only way to do that and pay down the debt is stop this sweetheart deal of giving a little on spending increases and giving a little again, of course, on tax cuts. We do not have a surplus to divide. That is the point of my particular amendment.

I appreciate the distinguished Senator from Colorado giving me these few moments, and I yield the floor.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Colorado.

ELIMINATING THE MARRIAGE PENALTY

Mr. ALLARD. Mr. President, I have come to the floor to support eliminating the marriage penalty. I think it is timely that we have some votes scheduled this evening, I understand about 6:15 p.m. By eliminating the marriage penalty, we eliminate one of the most egregious examples of unfairness and complexity in the Tax Code to date. Another example of that would be the death tax or the inheritance tax. We dealt with that issue last week. I am extremely excited that it has passed the House, passed the Senate, and is now going on to the President for his signature.

Both these taxes are prominent concerns of my constituents, at a time when the tax burden is at record high levels in this country. When we are talking about eliminating the death tax, we are talking about the family business and what happens to a family business after an unexpected death without any estate planning, and how much the Government takes of that estate, forcing the sale. Many times it is a farm or a ranch that has been in the family for many, many generations.

When we talk about the marriage penalty—we are eliminating that unfair burden—we are talking about the family. We are talking about reducing the tax burden. We are talking about fairness and Tax Code simplification.

Just a brief description needs to be made of the marriage penalty. The marriage penalty exists when a married couple, filing a joint tax return, pays higher taxes than if the same couple were not married and were filing as individuals. The penalty varies, depending on the tax bracket in which the couple may find themselves. The example that has been used before is based on an assumption that both spouses are each holding down separate jobs, each earning about $30,000, in 1999. It is determined they would pay about $7,655 in Federal income taxes. If these two individuals were not married and both earned the same amount of money, and had each filed a single tax return, they would pay only $6,892 in combined tax liability. There is a $763 difference in tax liability. This is what we refer to when we talk about the marriage tax penalty.

According to the Congressional Budget Office, almost half of all married couples—it figures out to about 22 million—suffered from the marriage tax penalty last year. The average penalty paid by these couples was around $1,500. In the previous example, the marriage penalty was the result of a higher combined standard deduction for two workers filing as singles than for married couples, and the income tax bracket thresholds for married couples are less than twice the threshold for single taxpayers. We are trying to eliminate this problem.

The best illustration of the real tax burden faced by families is to compare today's tax burden of an average family with the tax burden of a family with average income of four decades ago. The total tax burden for the family today is 39 percent of its income. That is up from 18 percent in 1955. The Federal payroll taxes and State and local taxes have literally doubled the total tax burden faced by families. As a result, the middle-income family today has 25 percent less disposable income than a similar family in 1955.

The bill we have been working on in the Senate, and which many of us support, addresses the standard deduction problem I alluded to, and it increases the standard deduction for married couples filing jointly to twice the standard deduction for single taxpayers. According to the Subcommittee on Taxation, this provision provides tax relief to approximately 25 million couples filing joint returns. Hopefully, it can be made effective after December 31, 2000. That is what we are talking about in this particular marriage penalty relief bill.

It also raises the tax brackets. The bill expands, over a 6-year period—this is not happening all at once, it is gradually happening over a 6-year period—the 15-percent and 28-percent income tax brackets for a married couple filing a joint return to twice the size of the corresponding brackets for an individual filing a single return. This is a phase-in provision, ultimately providing relief to 21 million married couples, including 3 million senior citizens.

We also try to address the earned-income credit. This bill increases the beginning and the end of the phase out of the earned-income credit for couples filing a joint return. Currently, for a couple with two or more children, the earned-income credit begins phasing out at $12,690 and is eliminated for couples earning more than $31,152. Under this bill, the new range would be $2,500 higher. The maximum increase in the earned-income tax credit in this provision for an eligible couple is $526. As you recall, the earned-income tax credit was put in place to try to help low-income individuals so they would be encouraged to go out and get a job and to stay off welfare. Also, there is a provision preserving the family tax credits.

The bill permanently extends the current temporary exemption from the individual alternative minimum tax for family-related tax credits. This is so that, once you grant tax deductions and credits, the alternative minimum tax doesn't come in and take that all away.

One of the complaints I hear from my constituents is it seems as if Congress has been working on tax cuts, they pass tax cuts, they get signed by the President, but we don't seem to feel it when we are paying our taxes on April 15. One of the reasons that you do not feel it is because, in some cases, the alternative minimum tax kicks in, it takes effect, and that means the previous tax cuts that were applied to a particular taxpayer did not take effect because of the alternative minimum tax.

Members of the Democratic Party have thwarted passage of any kind of relief for marriage, as far as the Tax Code is concerned, since 1995. In 1995, we had the marriage tax penalty bill passed by the Congress, sent to the President, a Democratic President. He vetoed it. In 1999, we sent a bill to the Democratic President and he vetoed it. Earlier this year, in April, there was a Democratic filibuster that prevented a marriage penalty bill from moving forward. We need to pass and the President needs to sign a marriage tax penalty provision to give relief to married couples.

This year I have held town meetings in all 63 of Colorado's counties. At those meetings I heard from many of my constituents about how strongly they feel about tax relief. In Colorado, over 400,000 couples incur an additional tax burden simply because they are married.

I have some numbers here, numbers from the Congressional Budget Office. I find them very disturbing. Almost half of all married couples, the 22 million couples I mentioned earlier, suffered from the marriage penalty provisions last year.

Again, as in the rest of the country, many of these couples on average have suffered a $1,500 penalty where, if they had not been married, they would not have had to pay this amount.

Cumulatively, the marriage tax penalty increases the taxes on affected couples throughout the United States by about $32 billion per year. That is money that families could use toward their own needs, rather than Washington trying to set the priorities for American families.

This penalty is not a tax on the rich. The marriage tax penalty exists because of multiple tax brackets and the fact that the standard deductions for married couples are not twice those given to single people. This tax can be incurred by folks in every tax bracket. In fact, families with two wage earners are the hardest hit by the marriage penalty. There are more and more of these families in today's workforce. Many of these folks are in the lower to middle class—people working hard to provide for their children. Taxing these folks for being married is plain wrong.

Another one of the groups implicitly taxed under the marriage penalty is the working poor. The earned-income tax credit is an effective tool in helping these low-income workers, but the EITC is phased out more quickly for married couples than for individuals. So the families incur a greater tax burden simply for being married.

Some colleagues of mine call for more Government spending for education, health care, and housing. I believe if we simply allow the American family to keep more of their money, we permit them to better afford the things they need.

In this time of a historic budget surplus, we still have nearly record high taxation. Hard-working American families deserve to keep some of this money. It is theirs in the first place, and I see it as the responsibility of Congress to return some of this money to the people.

To permit the marriage tax penalty to continue is wrong. Allowing American families to keep this money is the right thing to do, and I believe it is time to do away with the marriage tax penalty.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise today to express my strong support for the Marriage Tax Penalty Relief Act of 2000. This much-needed bill has had a long and difficult journey in getting to this point where we can pass it in the Senate. Passage will occur today; and, as we did in 1999, the Congress will send legislation to help married couples being hurt by marriage tax penalties to the President.

I congratulate my colleague, the chairman of the Finance Committee, Senator ROTH, for his very effective leadership on this issue. I realize that this matter has not been an easy one for Chairman ROTH this year, because he has been unfairly criticized by our colleagues on the other side of the aisle for taking the approach on marriage tax penalty relief that is reflected in this bill. Let me explain.

The Senate last year, led by Chairman ROTH, passed a marriage penalty relief provision in the Taxpayer Refund Act, which used a different solution to the marriage penalty problem than the one included in the bill before us today. Last year's bill would have solved the marriage penalty problem by allowing married couples the option of filing as single taxpayers on a combined joint return. I supported that bill as did a majority of our colleagues. It was a good approach to solving a major tax problem for American families.

Last year's bill was effective in relieving the marriage penalty. However, it left untouched another glaring family tax problem that I will call the single-earner penalty. I would like to illustrate this with a hypothetical example of three Utah families.

Let's suppose we have three families, all neighbors living on the same street in Ogden, UT. These families are nearly identical, in that they each have three children and household incomes of $80,000 per year. The only differences in these three families are in the marital status of the parents and in who earns the income. In the first family, the Allen family, the parents are married and both work outside the home and earn $40,000 each for a total of $80,000. The second family, the Brown family, are also married but only the husband works outside the home, earning $80,000 per year. The third family, the Campbell-Clark family, are unmarried parents and each of them earns $40,000 per year for a total of $80,000.

As you can see from this chart, under current law, the Allen and the Brown families each pay about $9,200 in income tax each year. The Campbell-Clark family, however, because they can file as single taxpayers, pay only a combined $7,900. Because the Allens each earn one-half the family income, if they were to divorce and file as singles, they could reduce their combined tax bill down to $7,900, the same as the Campbell-Clarks. Therefore, the Allens suffer a marriage penalty of about $1,300 each year.

The marriage penalty relief provision included in last year's tax bill would have eliminated this marriage penalty and reduced the tax bill of the Allen family down to the same level paid by the Campbell-Clarks. However, by doing so it would have left behind the Brown family, who would still be paying income taxes of $9,200 per year.

This is not fair. We must not, in the name of fairness, fix the marriage tax problems of one category of families, but not another category. It is true that the Browns do not suffer a marriage penalty, but why should they pay higher taxes simply because their family income is earned by one spouse and not two?

There are approximately 210,000 couples in my home state of Utah, who, like the Allens, suffer a marriage penalty. However, there are also about 108,000 couples in Utah who are like the Browns, and would be left behind by marriage tax relief like we passed in 1999.

This is why this year's marriage penalty bill is superior to last year's. The bill before us today lowers the tax burden of both the Allen family and the Brown family. It alleviates the marriage penalty and the one-earner penalty. It does not leave any family behind.

In essence, the Internal Revenue Code results in marriage tax penalties and bonuses because it pursues three conflicting ideals or principles—marriage neutrality, equal treatment of married couples with the same household income, and progressive taxation.

The ideal of marriage neutrality states that a couple's tax liability should not be determined based on their marital status. In other words, there should not be a tax incentive either to marry, to remain single, or to divorce. Under our example, current law does penalize the Allen family, because they would pay about $1,300 per year less if they were to divorce and live together. That is ridiculous. We want to encourage people to live together in marriage.

The equally important principle of equal treatment holds that married couples with equal incomes should pay the same amount in taxes without regard to how much each spouse contributes to the couple's income. Under this principle, the Allens and the Browns should pay the same tax since they are both married with identical family incomes. Currently, they do pay the same, but this principle would be violated if we did not also lower the Browns' tax while fixing the Allens' marriage penalty.

Progressive taxation is the principle that those with higher incomes should pay a higher percentage of their incomes in taxes than is required of those with lower incomes.

It is mathematically impossible for the Tax Code to achieve all three of these tax policy ideals simultaneously.

One of the three objectives must be sacrificed. If we continue to insist on a progressive tax system, we cannot solve both the marriage penalty and the one-earner penalty. Simply put, last year's marriage penalty relief provision did solve the marriage penalty, but it violated the one-earner penalty. The bill before us today does not totally solve the marriage penalty, but it greatly alleviates it for most families. And, it does not create a one-earner penalty. All in all, it represents the fairest approach for the most families in our country.

As long as we have a progressive tax system, we will never achieve total family tax fairness. Therefore, no marriage tax penalty bill will be perfect. While making tremendous progress toward marriage penalty relief for most families, the bill before us leaves some serious marriage penalties in place.

For example, the current-law student loan interest deduction provision penalizes married couples struggling to pay off student loans. In February, the Senate passed an amendment to the education tax bill that Senator MACK and I offered that would have eliminated this problem. I had hoped to add that provision to this bill, but it would not be germane under the reconciliation rules. I hope we can take care of that problem in another tax bill later this year.

President Clinton has given strong indications he will veto this bill because it gives tax relief to families who do not suffer from marriage penalties. This is a shortsighted point of view that ignores the structure of our tax system and the needs of American families.

In fact, it kind of makes me wonder whether President Clinton's real concern is the idea of cutting taxes. He has made no secret of his opposition to tax cuts. He has fought us every step of the way in our efforts to return a portion of the budget surplus to those hard-working Americans who produced it.

But, I will be very sorry if a Presidential veto denies American families even this tax cut which is not being made for its own sake, but rather to correct a longstanding inequity in the Tax Code.

I implore the President to reconsider that all American families need fair and substantial tax relief—those where both spouses work outside the home as well as those where one parent stays home. I hope he will sign this bill into law.

And, allow me to say just a word about parents who forego outside income to remain at home. Everyone in this body knows that I believe we must have adequate child care for those families who need it. I have worked with my Republican colleagues and my Democratic colleagues across the aisle on child care legislation. But, I cannot say emphatically enough that the best child care is still provided by a parent. I have yet to hear a single Senator disagree with that. Yet, our Tax Code penalizes a family in which one parent makes this choice to stay at home with their children.

I am glad that my wife stayed home with our children. She did work in the early years of our marriage as a grade school teacher, but she stayed home virtually all of the time our children were growing up, and I think it shows.

It is high time we fix this problem. It is high time we correct the marriage penalty for both the Allens and the Browns in Utah, and families like them all over the country. Today, we have the means to do it. I say to my colleagues on the other side of the aisle: There are no more excuses.

Again, I thank Chairman ROTH for his insight and leadership on this important issue, and I urge my colleagues to support final passage of this bill. I urge President Clinton to sign it.

One last thing, and that is, when you have a $4.3 trillion surplus in the budget, you know darn well somebody is being taxed too much. Why can't we at least solve these inequities that are literally calling out to us for a solution? Why can't we make it clear that being married should not be a disadvantage to couples? Why don't we make it clear that we are going to treat married couples just as well as those who live together and are not married, who don't pay as much in taxes today?

These three families illustrate this as well as I think we can illustrate it. Why should the Allen family and the Brown family pay $9,222, while the Campbell-Clark family, just because they live together—each of them single, and each of them earning $40,000—why should they get a tax bill of $1,300 less than the other two families?

I urge the President to sign this bill. I think it is the right thing to do.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

PRAYERS AND THOUGHTS FOR SENATOR PAUL COVERDELL

Mr. CRAIG. Mr. President, before I deliver my remarks on the marriage tax penalty, for just a moment, let me say that our colleague, PAUL COVERDELL, is struggling at this moment. Our prayers and thoughts are with him and his wife Nancy as he struggles with his health in an Atlanta hospital. He is a champion of the issue of the marriage penalty tax relief.

MARRIAGE PENALTY TAX RELIEF

Mr. CRAIG. Mr. President, certainly, KAY BAILEY HUTCHISON, our colleague from Texas, has led us on the issue of the marriage penalty tax. I think probably she has sensitized all of us to it as only a woman can. I mean that in the sense of understanding the true balance that ought to be in this Tax Code that isn't in the Tax Code. She has been persistent with the Congress and with this Senate to assure that we develop a sense of equity and balance in the Tax Code that our marriage penalty tax relief legislation will offer.

Who pays the marriage penalty? In our country, about 22 million married couples do. They are not wealthy. They are modest- and middle-income families. In my State of Idaho, that is 129,710 families.

To really bring this home, if, from the time a couple marries, they were to put away, with interest, the difference in the disparity of taxes between $1,000 and $1,400 per year, on the average, for their first child, they could afford to pay 3 years of his or her education at a State institution in my State of Idaho. So it is significant. It is important. There is no question it would help, and can help, the American family.

The usual suspects out there who are opposed to this, I think, are using the most tired and sad arguments against tax relief. They simply are arguing from a position of the wrong facts. We have heard them whining about tax cuts and saying the tax cuts are for the rich and somehow you ought not give the rich any opportunity. Of course, in this instance they have simply missed the mark, and they know it. They know they are on the wrong side of this issue.

Tax relief, in the area of the marriage penalty tax, helps working families. It ends discrimination against married couples. It reduces the Tax Code's antifamily bias that no tax code should have in it. We have always said that the very foundation of our culture and our country is the family, and yet we take advantage of that union in the Tax Code by causing them to pay more in taxes.

Low- and middle-income married couples are the ones who truly are hurt by this penalty. On average, a married couple hit by the marriage penalty will pay about $1,400 more a year in taxes than two single persons at the same combined income. That is where the penalty rests.

In total, the marriage penalty overcharges couples in this country $32 billion a year, according to the Congressional Budget Office—that is right, $32 billion a year—that could stay out there with those young couples.

I use the example in my State of Idaho that if they simply put it in a bank, with interest, by the time their first child is old enough to go to college, they can afford his first or her first 3 years at a State institution in my State.

I think those who oppose marriage tax penalty relief oppose, frankly, all tax relief. The more they can get to spend on Government programs and Government solutions—and go home to their constituents and talk about what wonderful things Government is doing for them—somehow they think that most of our citizens are either undertaxed, and not giving enough to Government for all those wonderful solutions to their problems, or the current Tax Code is fair.

They are not worried about a Tax Code that charges a family an extra $1,400 or more, when a family certainly needs that additional income as they become a family unit. They are opposed to all tax relief. If you pay taxes, somehow, in this argument, you are rich; and the rich do not need the relief.

How many times have we heard that? At least I have heard it in the good number of years I have been in the Senate. Every time we talk about tax relief, somebody over there on the other side of the aisle says: Gee, those darn Republicans want to give that money back to the rich, and the rich don't need tax relief.

Low- and middle-income families do need tax relief. So the opposition on the other side always ponies up some kind of what I call tax-relief ''lite'' amendments to offer, so they can show some degree of compassion. Yet at the same time they offer nothing except a new Government program.

Let me break it down into the three most significant ways that the Tax Code extracts the marriage penalty for us to understand.

First of all, it is discrimination in the standard deduction area. About two-thirds of the taxpayers take the standard deduction. For a married couple, the standard deduction this year is $7,200. For two single taxpayers with the same combined income, it is $8,600. This is the first $392 of the marriage penalty. Lower and middle-income taxpayers are more likely to take the standard deduction than upper-income persons. Many middle-income families who itemize are still hurt by standard deduction discrimination because the amount of the standard deduction determines whether they itemize. In other words, one element triggers the other element in our Tax Code.

The Senate bill would provide relief to 25 million couples by making the standard deduction for married couples filing jointly equal to the standard deduction for two singles with the same combined income. That is a little complicated, but it is easy to understand that for those who take the standard deduction—and those tend to be the lower and middle-income families—the benefit is immediate and, as we have said, is approximately $1,400 a year.

The second area deals with discrimination in the earned-income tax credit area, the EITC. We are all familiar with the EITC. It is supposed to reward work, ease income tax and other tax burdens, and supplement incomes for low-income working families with children. It is astonishing, in a program designed to help lower income families, the phaseout schedule for EITC benefits again imposes an antimarriage, antifamily penalty. This is the very program Congress designed to help low-income families. Yet when we look inside the code, the way the IRS has interpreted it and administers it, there is an antimarriage, antifamily penalty. The Senate bill would begin addressing marriage penalty inequity in the EITC by first increasing the maximum credit by $526, starting the phaseout range $2,500 higher than it was at an income level just above $15,000.