

WORKING FAMILIES TAX CUT

# Benefits to Families from the Working Families Tax Cut

Alabama Congressional District 2 | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$593

KEY GROUPS

| KEY GROUP                     | AVERAGE TAX SAVINGS |
|-------------------------------|---------------------|
| Head of Household             | \$308               |
| Families with Children        | \$719               |
| Joint Filers with 2+ Children | \$1,431             |
| Households without Children   | \$540               |
| Seniors (65+)                 | \$967               |

ILLUSTRATIVE HOUSEHOLDS

| HOUSEHOLD EXAMPLE               | ASSUMPTIONS                                                                                                                                              | ANNUAL TAX CHANGE     |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Retired federal worker couple   | Social Security based on national average annual benefits (\$24,852 and \$11,808); pension modeled as \$25,000 and \$20,000 in taxable retirement income | \$1,565               |
| Single restaurant server        | \$22,253 median local wage; tips assumed at 45% of earnings; no children                                                                                 | \$52                  |
| Teacher and office clerk family | \$60,695 and \$33,278 median local wages; married couple with 2 children                                                                                 | \$597                 |
| Single nurse with overtime      | \$76,411 median local wage; overtime pay assumed at 5% of earnings; no children                                                                          | \$1,264               |
| Single-parent home health aide  | \$26,850 median local wage; 1 child                                                                                                                      | Tax increase of \$509 |
| Electrician family              | One earner at \$58,600 median local wage; married couple with 1 child                                                                                    | \$487                 |
| Plumber family                  | One earner at \$58,600 median local wage; married couple with 1 child                                                                                    | \$487                 |
| Construction worker family      | One earner at \$36,714 median local wage; married couple with 1 child                                                                                    | \$351                 |
| Police officer family           |                                                                                                                                                          | \$656                 |

| HOUSEHOLD EXAMPLE                               | ASSUMPTIONS                                                              | ANNUAL TAX CHANGE |
|-------------------------------------------------|--------------------------------------------------------------------------|-------------------|
|                                                 | One earner at \$49,541 median local wage; married couple with 2 children |                   |
| <b>Firefighter family</b>                       | One earner at \$48,961 median local wage; married couple with 2 children | \$656             |
| <b>Truck driver and home health aide family</b> | \$50,935 and \$26,850 median local wages; married couple with 2 children | \$677             |

**Methodology:** Average tax changes are modeled using Tax-Calculator. Illustrative household examples are modeled in PolicyEngine using geography-specific wage inputs where available and do not reflect geography-wide averages.