

WORKING FAMILIES TAX CUT

# Benefits to Families from the Working Families Tax Cut

New Mexico Congressional District 3 | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$638

KEY GROUPS

| KEY GROUP                     | AVERAGE TAX SAVINGS |
|-------------------------------|---------------------|
| Head of Household             | \$349               |
| Families with Children        | \$823               |
| Joint Filers with 2+ Children | \$1,618             |
| Households without Children   | \$573               |
| Seniors (65+)                 | \$1,042             |

ILLUSTRATIVE HOUSEHOLDS

| HOUSEHOLD EXAMPLE               | ASSUMPTIONS  | ANNUAL TAX RELIEF |
|---------------------------------|--|-------------------|
| 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 | \$1,524           |
| Single restaurant server        | \$35,335 median local wage; tips assumed at 45% of earnings; no children   | \$313             |
| Teacher and office clerk family | \$69,670 and \$37,371 median local wages; married couple with 2 children   | \$773             |
| Single nurse with overtime      | \$90,968 median local wage; overtime pay assumed at 5% of earnings; no children  | \$1,383           |
| Single-parent home health aide  | \$28,784 median local wage; 1 child  | \$293             |
| Electrician family              | One earner at \$60,162 median local wage; married couple with 1 child  | \$573             |
| Plumber family                  | One earner at \$56,292 median local wage; married couple with 1 child  | \$364             |
| Construction worker family      | One earner at \$41,827 median local wage; married couple with 1 child  | \$347             |
| Police officer family           | One earner at \$72,167 median local wage; married couple with 2 children   | \$773             |

| HOUSEHOLD EXAMPLE                               | ASSUMPTIONS  | ANNUAL TAX RELIEF |
|---|--|-------------------|
| <b>Firefighter family</b>                       | One earner at \$47,428 median local wage; married couple with 2 children | \$564             |
| <b>Truck driver and home health aide family</b> | \$50,427 and \$28,784 median local wages; married couple with 2 children | \$773             |

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**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.

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