

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Alabama | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$664

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$281
Families with Children	\$857
Joint Filers with 2+ Children	\$1,744
Households without Children	\$584
Seniors (65+)	\$1,030

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	\$22,567 median local wage; tips assumed at 45% of earnings; no children	\$52
Teacher and office clerk family	\$61,888 and \$31,338 median local wages; married couple with 2 children	\$597
Single nurse with overtime	\$73,135 median local wage; overtime pay assumed at 5% of earnings; no children	\$1,230
Single-parent home health aide	\$27,899 median local wage; 1 child	Tax increase of \$136
Electrician family	One earner at \$53,966 median local wage; married couple with 1 child	\$497
Plumber family	One earner at \$55,428 median local wage; married couple with 1 child	\$560
Construction worker family	One earner at \$37,371 median local wage; married couple with 1 child	\$351
Police officer family		\$697

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX CHANGE
	One earner at \$55,438 median local wage; married couple with 2 children	
Firefighter family	One earner at \$48,891 median local wage; married couple with 2 children	\$656
Truck driver and home health aide family	\$51,598 and \$27,899 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.