

WORKING FAMILIES TAX CUT

# Benefits to Families from the Working Families Tax Cut

Arkansas | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$703

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$293
Families with Children	\$897
Joint Filers with 2+ Children	\$1,669
Households without Children	\$622
Seniors (65+)	\$1,067

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	\$1,672
Single restaurant server	\$27,127 median local wage; tips assumed at 45% of earnings; no children	\$49
Teacher and office clerk family	\$55,978 and \$37,556 median local wages; married couple with 2 children	\$682
Single nurse with overtime	\$79,405 median local wage; overtime pay assumed at 5% of earnings; no children	\$1,039
Single-parent home health aide	\$27,910 median local wage; 1 child	Tax increase of \$59
Electrician family	One earner at \$50,878 median local wage; married couple with 1 child	\$306
Plumber family	One earner at \$51,166 median local wage; married couple with 1 child	\$306
Construction worker family	One earner at \$38,112 median local wage; married couple with 1 child	\$495
Police officer family		\$506

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX CHANGE
	One earner at \$49,508 median local wage; married couple with 2 children	
<b>Firefighter family</b>	One earner at \$43,342 median local wage; married couple with 2 children	\$695
<b>Truck driver and home health aide family</b>	\$50,981 and \$27,910 median local wages; married couple with 2 children	\$506

**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.