

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Iowa | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$829

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$401
Families with Children	\$1,188
Joint Filers with 2+ Children	\$1,847
Households without Children	\$703
Seniors (65+)	\$1,271

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	\$2,056
Single restaurant server	\$26,911 median local wage; tips assumed at 45% of earnings; no children	\$75
Teacher and office clerk family	\$58,834 and \$43,445 median local wages; married couple with 2 children	\$1,250
Single nurse with overtime	\$79,230 median local wage; overtime pay assumed at 5% of earnings; no children	\$1,472
Single-parent home health aide	\$36,290 median local wage; 1 child	\$246
Electrician family	One earner at \$64,735 median local wage; married couple with 1 child	\$402
Plumber family	One earner at \$63,036 median local wage; married couple with 1 child	\$402
Construction worker family	One earner at \$49,107 median local wage; married couple with 1 child	\$607
Police officer family	One earner at \$76,080 median local wage; married couple with 2 children	\$721

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX RELIEF
Firefighter family	One earner at \$56,818 median local wage; married couple with 2 children	\$602
Truck driver and home health aide family	\$56,705 and \$36,290 median local wages; married couple with 2 children	\$1,250

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.

America First Policy Institute