

WORKING FAMILIES TAX CUT

# Benefits to Families from the Working Families Tax Cut

Indiana | Tax Year 2025

ESTIMATED AVERAGE TAX CUT

\$743

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$387
Families with Children	\$1,081
Joint Filers with 2+ Children	\$1,819
Households without Children	\$621
Seniors (65+)	\$1,054

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	\$1,530
Single restaurant server	\$28,229 median local wage; tips assumed at 45% of earnings; no children	Tax increase of \$20
Teacher and office clerk family	\$60,975 and \$44,701 median local wages; married couple with 2 children	\$753
Single nurse with overtime	\$83,121 median local wage; overtime pay assumed at 5% of earnings; no children	\$2,013
Single-parent home health aide	\$32,367 median local wage; 1 child	\$241
Electrician family	One earner at \$67,411 median local wage; married couple with 1 child	\$553
Plumber family	One earner at \$66,464 median local wage; married couple with 1 child	\$553
Construction worker family	One earner at \$50,981 median local wage; married couple with 1 child	\$352
Police officer family		\$753

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX CHANGE
	One earner at \$73,650 median local wage; married couple with 2 children	
<b>Firefighter family</b>	One earner at \$63,283 median local wage; married couple with 2 children	\$753
<b>Truck driver and home health aide family</b>	\$61,862 and \$32,367 median local wages; married couple with 2 children	\$753

**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.