

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Alabama | Tax Year 2026

ESTIMATED AVERAGE TAX CUT

\$2,071

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$1,177
Families with Children	\$2,990
Joint Filers with 2+ Children	\$5,865
Households without Children	\$1,695
Seniors (65+)	\$2,400

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	\$4,193
Single restaurant server	\$23,232 median local wage; tips assumed at 45% of earnings; no children	\$374
Teacher and office clerk family	\$63,714 and \$32,262 median local wages; married couple with 2 children	\$5,790
Single nurse with overtime	\$75,292 median local wage; overtime pay assumed at 5% of earnings; no children	\$4,424
Single-parent home health aide	\$28,722 median local wage; 1 child	\$2,125
Electrician family	One earner at \$55,558 median local wage; married couple with 1 child	\$3,484
Plumber family	One earner at \$57,063 median local wage; married couple with 1 child	\$3,582
Construction worker family	One earner at \$38,473 median local wage; married couple with 1 child	\$2,982
Police officer family	One earner at \$57,073 median local wage; married couple with 2 children	\$5,044

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX RELIEF
Firefighter family	One earner at \$50,333 median local wage; married couple with 2 children	\$4,304
Truck driver and home health aide family	\$53,120 and \$28,722 median local wages; married couple with 2 children	\$5,507

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