

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Iowa | Tax Year 2026

ESTIMATED AVERAGE TAX CUT

\$2,560

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$1,595
Families with Children	\$4,105
Joint Filers with 2+ Children	\$6,287
Households without Children	\$2,020
Seniors (65+)	\$2,856

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	\$5,085
Single restaurant server	\$27,705 median local wage; tips assumed at 45% of earnings; no children	\$758
Teacher and office clerk family	\$60,570 and \$44,726 median local wages; married couple with 2 children	\$8,030
Single nurse with overtime	\$81,567 median local wage; overtime pay assumed at 5% of earnings; no children	\$5,563
Single-parent home health aide	\$37,360 median local wage; 1 child	\$2,945
Electrician family	One earner at \$66,644 median local wage; married couple with 1 child	\$4,601
Plumber family	One earner at \$64,895 median local wage; married couple with 1 child	\$4,553
Construction worker family	One earner at \$50,555 median local wage; married couple with 1 child	\$4,079
Police officer family	One earner at \$78,324 median local wage; married couple with 2 children	\$6,386

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX RELIEF
Firefighter family	One earner at \$58,494 median local wage; married couple with 2 children	\$5,304
Truck driver and home health aide family	\$58,377 and \$37,360 median local wages; married couple with 2 children	\$6,863

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