

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Indiana | Tax Year 2026

ESTIMATED AVERAGE TAX CUT

\$2,320

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$1,525
Families with Children	\$3,714
Joint Filers with 2+ Children	\$6,138
Households without Children	\$1,816
Seniors (65+)	\$2,442

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	\$4,179
Single restaurant server	\$29,061 median local wage; tips assumed at 45% of earnings; no children	\$1,082
Teacher and office clerk family	\$62,773 and \$46,019 median local wages; married couple with 2 children	\$6,621
Single nurse with overtime	\$85,573 median local wage; overtime pay assumed at 5% of earnings; no children	\$6,353
Single-parent home health aide	\$33,322 median local wage; 1 child	\$2,356
Electrician family	One earner at \$69,400 median local wage; married couple with 1 child	\$4,337
Plumber family	One earner at \$68,425 median local wage; married couple with 1 child	\$4,310
Construction worker family	One earner at \$52,484 median local wage; married couple with 1 child	\$3,139
Police officer family	One earner at \$75,822 median local wage; married couple with 2 children	\$5,714

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX RELIEF
Firefighter family	One earner at \$65,150 median local wage; married couple with 2 children	\$5,194
Truck driver and home health aide family	\$63,687 and \$33,322 median local wages; married couple with 2 children	\$6,297

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