

WORKING FAMILIES TAX CUT

Benefits to Families from the Working Families Tax Cut

Tennessee | Tax Year 2026

ESTIMATED AVERAGE TAX CUT

\$2,692

KEY GROUPS

KEY GROUP	AVERAGE TAX SAVINGS
Head of Household	\$1,512
Families with Children	\$4,021
Joint Filers with 2+ Children	\$7,076
Households without Children	\$2,199
Seniors (65+)	\$2,902

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	\$4,115
Single restaurant server	\$30,111 median local wage; tips assumed at 45% of earnings; no children	\$827
Teacher and office clerk family	\$59,755 and \$39,395 median local wages; married couple with 2 children	\$7,633
Single nurse with overtime	\$83,761 median local wage; overtime pay assumed at 5% of earnings; no children	\$4,853
Single-parent home health aide	\$32,559 median local wage; 1 child	\$2,459
Electrician family	One earner at \$62,733 median local wage; married couple with 1 child	\$4,274
Plumber family	One earner at \$61,186 median local wage; married couple with 1 child	\$4,231
Construction worker family	One earner at \$46,793 median local wage; married couple with 1 child	\$2,908
Police officer family	One earner at \$62,966 median local wage; married couple with 2 children	\$5,265

HOUSEHOLD EXAMPLE	ASSUMPTIONS	ANNUAL TAX RELIEF
Firefighter family	One earner at \$50,131 median local wage; married couple with 2 children	\$4,168
Truck driver and home health aide family	\$58,939 and \$32,559 median local wages; married couple with 2 children	\$6,276

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