
\$4,100 to \$7,400 Increase in Wages 14,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Alaska by an inflation-adjusted range of about \$4100 to \$7400 over the next four years.

A typical family with two children in Alaska can expect to see higher take-home pay of about \$7700 to \$11200 with OBBB compared to if it was not passed.

Around 4% of the labor force is employed in occupations that would likely benefit from the no taxes on tips provision of the OBBB.

Around 100 thousand seniors in Alaska could benefit from the no taxes on social security provision of the OBBB.

Around 28% of all employees in Alaska regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 63% of workers in Alaska are in occupations that are likely eligible for overtime and could also benefit.

JOBS, BUSINESSES, AND HOUSING

CEA finds that the OBBB will protect about 14 thousand full-time equivalent jobs in Alaska over the next four years relative to if the TCJA had been allowed to expire.

There are several provisions in the OBBB that will boost the manufacturing industry. In Alaska, about 3% of firms, 3% of establishments, and 4% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 14 thousand firms in Alaska which could be eligible for the deduction, or about 44% of all firms.

The OBBB enhances Opportunity Zones incentives and makes the policy permanent. In Alaska, there are 25 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 3 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 700 housing units in Alaska though the third quarter of 2024.

