
\$3,800 to \$6,800 Increase in Wages 133,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Arizona by an inflation-adjusted range of about \$3800 to \$6800 over the next four years.

A typical family with two children in Arizona can expect to see higher take-home pay of about \$7400 to \$10600 with OBBB compared to if it was not passed.

Around 3% of the labor force is employed in occupations that would likely benefit from the no taxes on tips provision of the OBBB.

Around 1.3 million seniors in Arizona could benefit from the no taxes on social security provision of the OBBB.

Around 23% of all employees in Arizona regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 64% of workers in Arizona 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 133 thousand full-time equivalent jobs in Arizona 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 Arizona, about 3% of firms, 3% of establishments, and 6% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 103 thousand firms in Arizona 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 Arizona, there are 168 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 23 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 6400 housing units in Arizona through the third quarter of 2024.

