
\$3,400 to \$6,100 Increase in Wages 66,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Iowa by an inflation-adjusted range of about \$3400 to \$6100 over the next four years.

A typical family with two children in Iowa can expect to see higher take-home pay of about \$7000 to \$9900 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 600 thousand seniors in Iowa could benefit from the no taxes on social security provision of the OBBB.

Around 28% of all employees in Iowa regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 67% of workers in Iowa 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 66 thousand full-time equivalent jobs in Iowa 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 Iowa, about 4% of firms, 4% of establishments, and 16% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 48 thousand firms in Iowa which could be eligible for the deduction, or about 43% of all firms.

The OBBB enhances Opportunity Zones incentives and makes the policy permanent. In Iowa, there are 62 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 8 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 1600 housing units in Iowa through the third quarter of 2024.

