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*\$3,000 to \$5,400 Increase in Wages      84,000 Jobs Protected*

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## WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Kentucky by an inflation-adjusted range of about \$3000 to \$5400 over the next four years.

A typical family with two children in Kentucky can expect to see higher take-home pay of about \$6600 to \$9200 with OBBB compared to if it was not passed.

Around 5% of the labor force is employed in occupations that would likely benefit from the no taxes on tips provision of the OBBB.

Around 800 thousand seniors in Kentucky could benefit from the no taxes on social security provision of the OBBB.

Around 25% of all employees in Kentucky regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 68% of workers in Kentucky 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 84 thousand full-time equivalent jobs in Kentucky 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 Kentucky, about 5% of firms, 4% of establishments, and 15% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 53 thousand firms in Kentucky 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 Kentucky, there are 144 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 19 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 3800 housing units in Kentucky through the third quarter of 2024.

