
\$4,100 to \$7,400 Increase in Wages 124,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

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

A typical family with two children in Minnesota can expect to see higher take-home pay of about \$7700 to \$11100 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 1.0 million seniors in Minnesota could benefit from the no taxes on social security provision of the OBBB.

Around 24% of all employees in Minnesota regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 62% of workers in Minnesota 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 124 thousand full-time equivalent jobs in Minnesota 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 Minnesota, about 5% of firms, 4% of establishments, and 12% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 96 thousand firms in Minnesota 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 Minnesota, there are 128 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 17 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 4100 housing units in Minnesota through the third quarter of 2024.

