

THE ONE BIG BEAUTIFUL BILL

New Jersey

\$5,000 to \$9,000 Increase in Wages 179,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in New Jersey by an inflation-adjusted range of about \$5000 to \$9000 over the next four years.

A typical family with two children in New Jersey can expect to see higher take-home pay of about \$8600 to \$12700 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 1.6 million seniors in New Jersey could benefit from the no taxes on social security provision of the OBBB.

Around 21% of all employees in New Jersey regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 60% of workers in New Jersey 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 179 thousand full-time equivalent jobs in New Jersey 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 New Jersey, 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 153 thousand firms in New Jersey which could be eligible for the deduction, or about 41% of all firms.

The OBBB enhances Opportunity Zones incentives and makes the policy permanent. In New Jersey, there are 169 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 6600 housing units in New Jersey through the third quarter of 2024.

