

THE ONE BIG BEAUTIFUL BILL

Pennsylvania

\$3,700 to \$6,700 Increase in Wages 252,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Pennsylvania by an inflation-adjusted range of about \$3700 to \$6700 over the next four years.

A typical family with two children in Pennsylvania can expect to see higher take-home pay of about \$7300 to \$10400 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 2.3 million seniors in Pennsylvania could benefit from the no taxes on social security provision of the OBBB.

Around 23% of all employees in Pennsylvania regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 64% of workers in Pennsylvania 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 252 thousand full-time equivalent jobs in Pennsylvania 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 Pennsylvania, about 5% of firms, 4% of establishments, and 10% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 183 thousand firms in Pennsylvania 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 Pennsylvania, there are 300 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 41 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 12 thousand housing units in Pennsylvania through the third quarter of 2024.

