
\$4,400 to \$8,000 Increase in Wages 174,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in Virginia by an inflation-adjusted range of about \$4400 to \$8000 over the next four years.

A typical family with two children in Virginia can expect to see higher take-home pay of about \$8000 to \$11800 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 1.5 million seniors in Virginia could benefit from the no taxes on social security provision of the OBBB.

Around 24% of all employees in Virginia regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 57% of workers in Virginia 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 174 thousand full-time equivalent jobs in Virginia 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 Virginia, about 3% of firms, 2% of establishments, and 7% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 124 thousand firms in Virginia which could be eligible for the deduction, or about 42% of all firms.

The OBBB enhances Opportunity Zones incentives and makes the policy permanent. In Virginia, there are 212 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 29 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 7500 housing units in Virginia through the third quarter of 2024.

