



UNITED STATES SENATE COMMITTEE ON FINANCE

WORKING FAMILIES TAX CUTS

NEW AND IMMEDIATE TAX RELIEF FOR AMERICA'S SENIORS

On July 4, 2025, President Trump signed the **Working Families Tax Cuts** into law. This legislation not only prevented the largest tax hike in history, but it also restored and made permanent critical pro-growth tax provisions that are already increasing domestic investment and boosting economic growth. Moreover, through policies like **new tax relief for seniors** and working families, as well as no taxes on tips and overtime, low- and middle-income Americans are the biggest winners under this bill.

The Working Families Tax Cuts **creates a new deduction of up to \$6,000** for millions of low- and middle-income seniors.

Beginning in 2025, individuals age 65 and older are eligible to claim this new deduction *in addition* to the standard deduction and the existing \$2,000 deduction for seniors (\$3,200 for married couples).

The maximum annual deduction is \$6,000 per qualified individual (\$12,000 for a married couple if both spouses have attained age 65). The deduction begins phasing out for taxpayers with modified adjusted gross incomes over \$75,000 (\$150,000 for joint filers).

The deduction is available for taxpayers whether they itemize or claim the standard deduction. The Working Families Tax Cuts also increased the standard deduction, which about 90 percent of taxpayers claim.

How the new deduction works for eligible taxpayers:

- Alice, age 70 and unmarried, had a modified adjusted gross income of \$50,000 in 2025. Alice will be eligible for the full amount of the \$6,000 new senior deduction for tax year 2025.
- Tom, age 68, and Pam, age 67, a married couple who file jointly, had a modified adjusted gross income of \$100,000 in 2025. They will be eligible for the full amount of the \$12,000 new senior deduction for tax year 2025.

"The bill's broadest tax impact comes from making permanent the reduced income tax rates enacted during Trump's first term and initially set to expire after this year. Another key provision, backed by AARP, provides targeted tax relief for older adults in the form of a \$6,000 'bonus' deduction that could offset federal taxes on Social Security benefits." - [AARP](#)

*"By increasing deductions, simplifying the process, and ensuring older Americans keep more of what they've earned, this law represents **a rare and welcome victory for retirees and working seniors alike.**" - [The Association of Mature American Citizens](#)*

The Working Family Tax Cuts' new, immediate tax relief overwhelmingly benefits the working class. According to a [distributional analysis](#) from the nonpartisan Joint Committee on Taxation (JCT)—which previously estimated the tax bill provides more than [\\$600 billion](#) in new tax relief to middle-class households—the largest proportional tax benefits go to workers and families making less than \$50,000.