



# UNITED STATES SENATE COMMITTEE ON FINANCE

## WORKING FAMILIES TAX CUTS

### A SUPERCHARGED TAX FILING SEASON

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. With the tax filing season over for most taxpayers, working families are seeing how this **historic tax relief** is putting more money into their pockets.

#### Millions of families are benefitting from new relief:

- Nearly **70 percent** of filers receiving a tax cut from President Trump's signature tax relief provisions earned **less than \$100,000**
- Over **62 million** people—**about 43 percent of all filers**—took advantage of at least one new provision
  - **No Tax on Overtime:** More than **29 million**, with an average deduction of over **\$3,100**
  - **No Tax on Tips:** Over **7.5 million**, with an average deduction of over **\$7,000**
  - **American-Made Car Loan Interest Deduction:** Over **1.4 million**, with an average deduction of over **\$1,800**
  - **Seniors Deduction:** More than **35 million**, with an average deduction of over **\$7,500**
- Average refund of **nearly \$3,300**, an **11 percent** increase compared to last year
- Roughly **\$325 billion** in total refunds, **\$50 billion** more than last year
- About **6 million** children have been signed up for **Trump Accounts**, with **1.4 million** children qualifying for an initial **\$1,000** contribution

#### Support for small businesses and other job creators is powering economic growth:

- Increased confidence for more than **25 million** small businesses due to a permanent **20 percent** deduction
  - The deduction is expected to create **1.2 million** jobs annually and add **\$750 billion** over the next decade to small business GDP
- **Permanent 100 percent** expensing for machinery and equipment, fueling business expansion
  - **100 percent** expensing for near-term investments in factories so more products are 'Made in America'
- **Permanent** immediate deductibility of **domestic R&D** expenses, encouraging investment in innovation
- **Permanently doubled** the **death tax exemption**, sparing family farms and small businesses from costly planning and tax burdens that make it difficult to pass down their operations to the next generation

**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.