



The FAIRtax Prebate Factsheet

Under the FAIRtaxsm, all Americans consume what they see as their necessities of life free of tax. While permitting no exemptions, the FAIRtax (HR25) provides a monthly universal prebate to ensure that each family unit can consume tax free at or beyond the poverty level, with the overall effect of making the FAIRtax progressive in application. There is no marriage penalty as the couple gets twice the amount that a single adult receives.

While everyone pays the same tax rate at the cash register, the prebate results in effective tax rates (annual taxes paid divided by annual spending) that increase as the level of spending increases – a progressive tax rate structure. For example, a person spending at the poverty level (\$42,300 for a family of four) has a 0% effective tax rate.

2025 FAIRtax Prebate Schedule

Single Persons				Married Couples			
Size of Family	Annual Consumption Allowance	Annual Prebate	Monthly Prebate	Size of Family	Annual Consumption Allowance	Annual Prebate	Monthly Prebate
Single Person	\$15,650	3,600	300	Married Couple	\$31,300	\$7,199	\$600
and 1 dependent	\$21,150	4,865	405	and 1 dependent	\$36,800	\$8,464	\$705
and 2 dependents	\$26,650	6,130	511	and 2 dependents	\$42,300	\$9,729	\$811
and 3 dependents	\$32,150	7,395	616	and 3 dependents	\$47,800	\$10,994	\$916
and 4 dependents	\$37,650	8,660	722	and 4 dependents	\$53,300	\$12,259	\$1,022
and 5 dependents	\$43,150	9,925	827	and 5 dependents	\$58,800	\$13,524	\$1,127
and 6 dependents	\$48,650	11,190	932	and 6 dependents	\$64,300	\$14,789	\$1,232
and 7 dependents	\$54,150	12,455	1,038	and 7 dependents	\$69,800	\$16,054	\$1,338

For families/households with 8 or more dependents, add \$5,500 to the annual consumption allowance for each additional dependent (includes grandparents, children, adopted children or children under legal guardianship) and \$105 to the monthly prebate. The annual consumption allowance is based on the DHHS Poverty Guidelines as published in the *Federal Register*, January 17, 2025. The annual prebate equals 23% of the annual consumption allowance.

