

AT A GLANCE:

NEW LAW BRINGS MAJOR TAX CHANGES

The "One Big Beautiful Bill Act" (OBBBA), recently signed into law, is a sweeping legislative package that aims to extend the 2017 Tax Cuts and Jobs Act (TCJA) and implement significant changes across various sectors including taxation, health care, and social programs. Here's a brief overview of the current tax law and what to expect when the provisions go into effect.

	— Current Provisions —	— OBBBA Provisions —
Standard Deduction	Single Filers = \$15,000 Joint Filers = \$30,000	Single Filers = \$15,750 Joint Filers = \$31,500
Child Tax Credit	\$2,000 tax credit per child	\$2,200 tax credit per child; adjusted yearly for inflation
Tax on Tips and Overtime	None	Up to \$25,000 deduction; phase outs apply
Manufacturing Deductions	None	100% expensing for select manufacturing structures
SALT Deduction	Deduction capped at \$10,000	Deduction capped at \$40,000, phasing out a 30% rate for joint filers making more than \$500,000
Bonus Depreciation	40%	100% restored from 1/19/25
Research and Development (R&D)	Five-year amortization for domestic R&D.	Full expensing restored, with options to recover previously capitalized expenses
Interest Deductions	EBIT standard	EBITDA standard
Sec. 179 Expensing	\$1.25M allowance, phases out for property above \$3.13M	\$2.5M allowance, phases out for property above \$4M
1099-K	\$2,500	\$20,000 and 200 transactions
Charitable Deduction (non-itemizers)	None	Single Filers = \$1,000 Joint Filers = \$2,000
Estate Tax Exemption	Single Filers = \$13.99M Joint Filers = \$27.98M	Single Filers = \$15M Joint Filers = \$30M Effective 1/1/2026, with indexed inflation
Deduction for Senior Citizens	\$1,600 for age 65+	\$6,000 for age 65+ Phase out: Single = \$75,000 Joint = \$150,000
Tax on Auto Loan Interest	None	Up to \$10,000 for assembled-in-U.S. vehicles
199A Flow-Through Deduction	20%	20% and made permanent