

## Key Facts & Figures

# One Big Beautiful Bill Act

## Key Effective Dates



### Individual Effective Dates

#### 2025

- Installment Treatment of Gain from Sale or Exchange of Qualified Farmland Property
- Standard Deduction Increase
- Senior Deduction
- Qualified Tips Deduction
- Qualified Overtime Deduction
- Qualified Small Business Stock Gain Exclusion Expansion (*generally after July 4*)
- Car Loan Interest Deduction
- Increased SALT Deduction Limit
- Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property
- Increased Child Tax Credit
- Refundable Adoption Credit

#### 2026

- AMT Exemption Threshold Changes
- Estate Tax Exclusion Increase
- Charitable Contribution Deduction for Nonitemizers
- Mortgage Insurance Premiums Treated as Interest
- Personal Casualty and Theft Loss Deduction for State-Declared Disasters
- Limitation on Gambling Losses
- Phaseout of Itemized Deductions
- Trump Accounts
- Increased Maximum Exclusion of Dependent Care Assistance Benefits
- Increased Child and Dependent Care Credit
- Elimination of Bicycle Commuting Reimbursement Exclusion

#### 2027

- Qualified Opportunity Zones new enrollment
- Education Assistance Benefits inflation-adjusted maximum exclusion application
- Credit for Contributions to Scholarship Granting Organizations



### Business Effective Dates

#### 2025

- Increased Code Sec. 179 Expensing Limitation
- Expensing and Bonus Depreciation for Sound Recordings (*Tax Years Ending After July 4*)
- 100 Percent Bonus Depreciation (*January 20*)
- Bonus Depreciation for Qualified Production Property (*After July 4*)
- Expensing of Domestic Research and Experimental Expenditures
- Expansion of FICA Tip Credit to Beauty Service Businesses

#### 2026

- Expansion of Qualified Business Income Deduction
- Corporate Charitable Contribution Limitation
- Disallowance of Deduction for Meals Provided at the Convenience of Employer
- Increased Employer-Provided Child Care Credit
- Increased Low-Income Housing Tax Credit
- Excise Tax on Excess Compensation Within Tax-Exempt Organizations
- Excise Tax on Net Investment Income of Private Colleges and Universities
- \$2,000 Information Reporting Threshold for Business Payments

#### 2026 International Provisions

- Changes to Foreign Tax Credit and FDII and GILTI Deduction
- Increase to Deemed Paid Foreign Tax Credit percentage and Base Erosion and Anti-Abuse Tax (BEAT) Rate
- Replacement of GILTI with Net CFC Tested Income
- One-Percent Excise Tax on Remittance Transfers



### Green Energy Termination Dates

#### 2025

- Energy Efficient Home Improvement Credit
- Residential Clean Energy Credit
- Changes to Clean Fuel Production Credit (*July 4*)
- New Clean Vehicle Credit (*September 30*)
- Previously-Owned Clean Vehicle Credit (*September 30*)
- Commercial Clean Vehicle Credit (*September 30*)

#### 2026

- Alternative Fuel Vehicle Refueling Property Credit (*June 30*)
- Energy Efficient Commercial Building Deduction (*June 30*)
- New Energy Efficient Home Credit (*June 30*)
- Increased Advanced Manufacturing Investment Credit

## Key Changes

### TCJA Provisions Extended by OBBBA\*



#### Pre-OBBBA



#### Post-OBBBA

Individual Tax Rates	10, 12, 22, 24, 32, 35, and 37 percent	Made permanent	→
Personal Exemption	Temporarily suspended	Permanently eliminated	✕
Individual Alternative Minimum Tax Exemptions	Temporarily increased	Made permanent	→
Individual Alternative Minimum Tax Exemption Phaseout	Phases out \$.25 for every \$1 over threshold 2025 Thresholds: MFJ .....\$1,252,700 Single/HOH/MFS .....\$626,350	Phases out \$.50 for every \$1 over threshold 2026 Thresholds: MFJ .....\$1,000,000 Single/HOH/MFS .....\$500,000	→→
Miscellaneous Itemized Deductions Subject to Two-Percent Floor	Temporarily suspended	Permanently eliminated	✕
Standard Deduction	2025 amounts: MFJ/SS .....\$30,000 HoH.....\$22,500 Single/MFS .....\$15,000	2025 amounts: MFJ/SS .....\$31,500 HoH.....\$23,625 Single/MFS .....\$15,750	↑
State and Local Tax (SALT) Deduction	Temporarily capped at \$10,000	Temporarily increased through 2029—\$40,000 in 2025, 1% annual increase after 2025 \$10,000 cap returns in 2030	↑ ↓
Home Mortgage Interest Deduction	\$750,000 limit on acquisition debt	\$750,000 limit made permanent Mortgage insurance premiums treated as interest after 2025	→ ↑
Gambling Loss Deduction	Limited to includable gambling winnings Losses include any deduction otherwise allowed in calculating income	Limited to 90 percent of losses Otherwise allowable deductions permanent	↓ →
Moving Expense Deduction	Temporarily suspended for everyone except for some active-duty members of the armed forces	Made permanent After 2025, allowed also for some members of intelligence community	→ ↑
Estate and Gift Tax Basic Exclusion	\$13.99 million (2025)	\$15 million (2026)	↑
Educational Assistance Benefits	Exclusion amount frozen at \$5,250 Temporarily includes student loan reimbursements	After 2026, maximum exclusion adjusted for inflation Made permanent—student loan reimbursements	↑ →
Child Tax Credit	Maximum credit \$2,000  Temporary \$500 credit for other dependent child Refundable credit amount temporarily adjusted for inflation	Maximum credit increase to \$2,200 (2025), annually adjusted for inflation (after 2025) Made permanent—\$500 credit for other dependent child Made permanent—refundable credit	↑ → →

\*Many provisions of the Tax Cuts and Jobs Act were scheduled to expire after 2025

### New Provisions (non-TCJA Extensions)



Senior Deduction	2025–2028	\$6,000 individuals age 65 and older Phases out for MAGI above \$75,000 (\$150,000 Joint Filers)
Qualified Tips Deduction “No Tax on Tips”	2025–2028	\$25,000 – Phases out for MAGI above \$150,000 (\$300,000 Joint Filers)
Qualified Overtime Pay Deduction “No Tax on Overtime”	2025–2028	\$12,500 (\$25,000 for joint filers) Phases out for MAGI above \$150,000 (\$300,000 joint filers)
Car Loan Interest Deduction	2025–2028	Up to \$10,000 of interest paid on loan acquired after 2024 (additional requirements apply) Phases out for MAGI above \$100,000 (\$200,000 joint filers)
Charitable Contribution Deduction for Nonitemizers	After 2025	Up to \$1,000 for cash contributions by individuals claiming standard deduction
Limit on Itemized Deductions	After 2025	Reduced by 2/37 of the lesser of taxpayer’s: (1) itemized deductions, or (2) taxable income over the dollar amount the taxpayer’s 37-percent rate bracket begins
Dependent Care Assistance Benefits	After 2025	Maximum exclusion of employer-paid dependent care assistance increased to \$7,500 (MFS \$3,750)
Child and Dependent Care Credit	After 2025	Maximum credit amount 50 percent up to \$15,000 Phases down to 35 percent up to \$75,000 AGI (\$150,000 MFJ); second phasedown to 20 percent
Adoption Credit	After 2024	Up to \$5,000 (adjusted for inflation after 2025) made refundable
Premium Tax Credit	Dates vary	After 2025, unavailable for those enrolled due to income-based special enrollment period; all excess advance payments subject to recapture. After 2026, limited to specified lawfully present aliens; unavailable to aliens ineligible for Medicaid After 2027, additional eligibility verification requirements apply