



ONE BIG BEAUTIFUL BILL ACT

H.R. 1 – (OBBBA)

For Individuals & Families

Element	OBBBA	Prior Law
1099-K Reporting Threshold	The IRS has set the Form 1099-K reporting threshold to \$2,500 for 2025 payments.	\$20,000 and >200 transactions.
Adoption Credit	Makes up to \$5,000 of the adoption credit refundable and indexes the credit for inflation.	Up to \$17,280, non-refundable.
Auto Loan Interest Deduction	Taxpayers can deduct up to \$10,000 in interest on car loans for vehicles assembled in the U.S., applicable to tax years 2025 through 2028.	n/a
Child Tax Credit	\$2,200 per child (inflation adjusted); CDCTC now 20–50%, boosting help for middle and upper-middle-income families.	\$2,000 child credit; 35% cap, little low-income aid.
Deductions for Seniors	The child tax credit increases to \$2,200 per qualifying child in 2025, with a permanent annual inflation adjustment starting in 2026.	\$1,600 for 65+.
Education & Student Loans	Starting July 1, 2026, borrowers will have only two repayment options: a standard plan and a new Repayment Assistance Plan (RAP), with the latter requiring 30 years of payments for loan forgiveness.	Multiple plans; forgiveness after 20–25 yrs.
Estate Tax Exemption	Starting Jan. 1, 2026, the OBBBA raises estate, gift, and GST tax exemption to \$15M per person—permanently avoiding TCJA sunset and doubling prior thresholds.	\$13.99M/\$27.98M, set to drop ~\$5–7M.
Family & Child Benefits	The OBBBA introduces \$1,000 government-funded investment accounts for newborns between 2025 and 2028.	No newborn accounts; limited credits.
Healthcare & Medicaid	Enforces stringent Medicaid work requirements beginning in 2026, potentially stripping healthcare access from an estimated 16 million people and straining rural hospitals, despite a \$50 billion emergency fund. Imposes work requirements for Medicaid recipients aged 19-64, mandating at least 80 hours of work or related activities per month starting in 2026.	No work rules; no rural fund.
No Tax on Tips and Overtime	Allows workers in traditionally tipped occupations to deduct up to \$25,000 in cash tip income and provides a separate tax deduction for overtime pay—up to \$12,500 for single filers and \$25,000 for joint filers, subject to income limits.	n/a
SALT Deduction Cap	The SALT deduction cap is raised to \$40,000 through 2029, after which it reverts to \$10,000. The cap starts phasing out at \$500,000 in income and ends at \$600,000.	\$10,000 cap.
Social Security & Seniors	Introduces a temporary \$6,000 tax deduction for seniors earning up to \$75,000 annually, or \$12,000 for joint filers earning up to \$150,000, set to expire in 2028.	\$1,600 for 65+.
Standard Deduction	2025 standard deduction: \$15,750 single, \$31,500 married.	\$15,000/\$30,000.
Trump Accounts (MAGA Accounts)	Introduces \$1,000 government-funded investment accounts for newborns between 2025 and 2028. Parents can contribute up to \$5,000 annually. Funds can be used for education, home purchases, or starting a business.	n/a

For Business Owners

Element	OBBBA	Prior Law
163(j) Interest Deductions	The limitation reverts to 30% of EBITDA for tax years beginning after December 31, 2024.	EBIT standard.
179D Deduction	The deduction terminates for properties beginning construction after June 30, 2026.	Available for efficient buildings.
199A Flow-Through Deduction	The 20% deduction is made permanent for tax years beginning after December 31, 2025.	20% under TCJA, expiring 2025.
45L Tax Credit	The credit ends for properties acquired (e.g., sold or leased) after June 30, 2026.	Available for efficient homes.
Advanced Manufacturing Credit	Increased to 35% and extended through December 31, 2030, specifically for semiconductor manufacturers.	25% credit.
Bonus Depreciation	100% bonus depreciation made permanent for qualifying property placed in service after January 19, 2025.	Drops to 40% in 2025.
Clean Electricity Production	Ends for wind and solar facilities placed in service after 2027 unless construction starts within one year of enactment.	Eligible through 2032.
International Tax Provisions	Implements changes affecting U.S. taxpayers with foreign income, including adjustments to the Base Erosion and Anti-Abuse Tax (BEAT), Global Intangible Low-Taxed Income (GILTI), and Foreign-Derived Intangible Income (FDII) provisions.	TCJA international tax rules, different rates.
Manufacturing Deductions	Introduces 100% depreciation for qualified production property under Section 168(n), applicable to nonresidential real property used in qualified production activities, placed in service between January 1, 2025, and December 31, 2030.	n/a
Opportunity Zones	Made permanent, offering tax incentives for investments in designated low-income areas. However, the definition of "low-income community" has been modified, effective January 1, 2027.	OZones were set to expire after 2026.
PTET (Pass-Through Tax)	Contrary to earlier proposals, the final legislation preserves the PTET deduction for all qualifying pass-through entities, including specified service trades or businesses (SSTBs).	Deduct, bypass \$10K SALT.
R&D Expensing (174)	Domestic R&D expenses are fully deductible; foreign R&D expenses must be amortized over 15 years.	Domestic over 5 yrs; foreign 15 yrs.
Section 179 Expensing	Increased to \$2.5 million/\$4 million with indexing reset in 2024.	\$1M/\$2.5M; indexed from 2019.

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Have Questions on OBBBA?
Schedule a 15-Minute Discovery Call to Discuss!



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