Key provisions of the One Big Beautiful Bill Act include:

INDIVIDUAL

- Increase the SALT cap to $40,000 if you earn up to $500,000.

  The bill temporarily increases the limit on the federal deduction for state and local taxes (the SALT cap) to $40,000.

  The amount of the deduction available to a taxpayer phases down for taxpayers with modified adjusted gross income (MAGI) over $500,000 (in 2025). The phasedown will reduce the taxpayer's SALT deduction by 30% of the amount the taxpayer's MAGI exceeded the threshold, but the limit on a taxpayer's SALT deduction could never go below $10,000.

- Above the line deduction for tip income.

  The bill provides a temporary deduction of up to $25,000 for qualified tips received by an individual in an occupation that customarily and regularly receives tips. The deduction begins to phase out when the taxpayer's MAGI exceeds $150,000 ($300,000 in the case of a joint return).

- Above the line deduction for overtime pay for certain workers.

  The bill provides a temporary above-the-line deduction of up to $12,500 ($25,000 in the case of a joint return) for qualified overtime compensation (that is in excess of the regular rate at which the individual is employed.) received by an individual during a given tax year. The deduction begins to phase out when the taxpayer's MAGI exceeds $150,000 ($300,000 in the case of a joint return).

- Above the line deduction for auto loan interest for certain vehicles (Qualified passenger vehicle loan interest) only For the years 2025 through 2028

  The exclusion is capped at $10,000 per year and will phase out for taxpayers with MAGI in excess of $100,000 ($200,000 for married taxpayers filing jointly).

- Trump accounts: will be IRAs (but not Roth IRAs) for the exclusive benefit of individuals under 18.

  Contributions (other than qualified rollover contributions) will be capped at $5,000 a year.

- Trump accounts contribution pilot program that provides a $1,000 tax credit for opening a Trump account for a child born between Jan. 1, 2025, and Dec. 31, 2028.
- Child Tax Credit expansion.
- Enhanced deduction for seniors.

  it provides a temporary $6,000 deduction for individual taxpayers who are age 65 or older. This senior deduction begins to phase out when a taxpayer's MAGI exceeds $75,000 ($150,000 in the case of a joint return).
- Repeal of energy efficient credits for EVs, hybrids, charging, and energy efficient home improvements beginning in 2025. Few of clean energy tax incentives terminates after Sept. 30, 2025.

  energy-efficient home improvement credit (terminates after Dec. 31, 2025).

  residential clean energy credit (terminates for expenditures made after Dec. 31, 2025).

    - Reforms Medicaid.
- Reforms Pell Grants and student loans.
- Dependent care assistance program: The maximum annual amount excludable from income up to $7500
- Child and dependent care credit: The bill permanently increases the amount of the child and dependent care tax credit.
- Estate & Gifts - $15M

  The bill permanently increase the estate tax exemption and lifetime gift tax exemption amounts: $15 million for single filers ($30 million for married filing jointly) in 2026

BUSINESS

- Repeal of energy efficient credits for EVs, hybrids, charging, and energy efficient home improvements beginning in 2025
- Permanently extends the deduction for qualified business income at 20%.

  The bill expands the deduction limit phase-in range for specified service trade or business (SSTBs) and other entities subject to the wage and investment limitation
- Bonus 100% depreciation deduction for assets purchased after 01/19/2025.

The bill permanently extends additional first-year (bonus) depreciation deduction.

- R&D Credit – 100% deduction – Within USA. Retroactive Election to tax years beginning after Dec. 31, 2021 for many Small business taxpayers, or will be permitted to elect to accelerate the remaining deductions for those expenditures over a one- or two-year period.
- Opportunity zones – Rolling 10 years.
- QSBS-1202 Stocks

  The bill increases the Sec. 1202 exclusion for gain from qualified small business stock. For qualified small business stock acquired after the date of enactment of the bill and held for at least four years, the percentage of gain excluded from gross income will rise from 50% to 75%. If it is held for five years or more, the exclusion percentage will go up to 100%.
- Sec. 179 expensing: The bill increases the maximum amount a taxpayer may expense under Sec. 179 to $2.5 million, reduced by the amount by which the cost of qualifying property exceeds $4 million.