

Key Tax Changes for Individuals, Families, and Business Owners in OBBBA – Video Script

In July 2025, a major piece of new tax legislation called the One Big Beautiful Bill Act was signed into law. Here are some key changes that could affect you, your family, and your business.

The legislation makes permanent many tax changes that were introduced in 2017 but set to expire in 2026. These include lower income tax brackets, larger standard deduction amounts, an increase to the child tax credit, and a larger estate tax exclusion.

The law also establishes new temporary deductions, effective only for tax years 2025 through 2028. These include a \$6,000 deduction for qualifying seniors, an exclusion up to \$25,000 for reported tip income, a deduction up to \$12,500 per individual or \$25,000 if married filing jointly for qualified overtime compensation, and a deduction up to \$10,000 for car loan interest on new qualifying vehicles assembled in the U.S.

There are two other key deduction changes to note. Starting with tax year 2025, the state and local taxes deduction for individuals who itemize has increased from \$10,000 to \$40,000, subject to certain taxpayer income limits. Starting in 2030, the cap will drop back to \$10,000.

And starting in 2026, individuals who don't itemize deductions will be allowed a limited deduction for charitable contributions.

Related to families, parents and others will be able to set up a new type of tax-advantaged investment account for children starting in 2026.

The legislation also expands the list of qualified expenses for 529 plans to include workforce credentialing programs and up to \$20,000 per year for K–12 expenses, imposes new borrowing caps on federal parent and student loans for college, and creates two new student loan repayment plans.

Business owners will benefit from several provisions in the legislation, including permanent 100% bonus depreciation, an increased Section 179 expensing limit, and an increased estate and gift tax exclusion amount of \$15 million starting in 2026 — which is the amount of an individual's estate that can be transferred to heirs tax-free upon death.

Related to energy, the new law significantly rolls back and phases out multiple energy-related tax incentives, including credits for the purchase of electric vehicles and for energy-efficient home improvements.

These are just some of the changes that will present new opportunities. Have questions?
Reach out today.

The information presented here is not specific to any individual's personal circumstances. This information is not intended to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each individual should seek independent guidance from a tax professional based on his or her individual circumstances