



## One Big Beautiful Bill Act



### Professional services include:

- Tax Compliance
- Audit & Assurance
- Litigation Support
- Estate & Gift
- Succession Planning
- Valuation
- IRS Representation
- Family Foundations
- Bookkeeping & Accounting

Our mission is to provide our clients with exceptional services by taking initiative to be proactive advisors. We pride ourselves in developing tailored strategies to meet the specific needs of our clients.

We have a diverse commercial and individual accounting, auditing, tax, and business consulting practice.

Our partners and staff are available to meet the needs of our clients and offer to meet with owners and management periodically throughout the year to discuss plans and to consult on a broad range of financial and business topics.



## Summary of Changes to Tax Law

The One Big Beautiful Bill Act “the Act” enacted on July 4, 2025, introduced a range of tax updates and provisions for individuals and businesses. The legislation extends many of the key provisions established under the “Tax Cuts and Jobs Act” (TCJA) as well as additional tax relief and revised business-related provisions.

### Individual Provisions

#### Tax Rate Brackets and Standard Deduction

Tax rates and the increased standard deduction from TCJA have been permanently extended and will be adjusted annually for inflation. *Effective: Jan. 1, 2026*

#### Estate Tax and Gift Tax Exemptions Increased

The basic exclusion amount for estate and gift taxes has increased to \$15 million per individual. *Effective: Jan. 1, 2026*

#### New Above-the-Line Deductions

- Taxpayers aged 65+ may take a \$6,000 deduction. The modified adjusted gross income (MAGI) phase-out thresholds are \$75,000 for individuals and \$150,000 for joint filers. *Effective tax years: 2025-2028*
- Taxpayers who do not elect to itemize may claim a charitable deduction for cash donations up to \$1,000 (\$2,000 for joint-filers). *Effective: Jan. 1, 2026*
- Provides a deduction for auto-loan interest for new vehicles with final assembly in the United States. Limited to \$10,000 and gross vehicle weight rating under 14,000 lbs. *Effective tax years: 2025-2028*
- Taxpayers may deduct their income received as tips, capped at \$25,000 with income phase-outs beginning at AGI of \$150,000 (\$300,000 MFJ). *Effective tax years: 2025-2028*
- A deduction is allowed for overtime pay up to \$12,500 (\$25,000 for joint filers) with income phase-outs beginning at AGI of \$150,000 (\$300,000 MFJ). *Effective tax years: 2025-2028*

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### Executive and Family Office Accounting Services

For some businesses and family groups, a fulltime financial accounting specialist may not be practical. We provide a solution: services at your residence or corporate location tailored to meet your needs.

- **Bookkeeping** - from after-the-fact reconciliation of bank statements and recording of transactions to drafting and executing checks, tracking accounts receivable/payable, receiving payments, and making deposits for our clients.
- **Tax & Payroll Services** - state sales tax reporting, household and corporate payroll services including employee check, monthly reporting, and annual W-2, 1099s, 940 & 941 as well as worker compensation deposits.
- **Other Services** - Property management assistance



### Itemized Deductions (Charitable, SALT, and Overall Limits)

- A 0.5% AGI floor on charitable deductions is imposed for those who elect to itemize. *Effective: Jan. 1, 2026*
- Itemized deductions for state and local income taxes, property taxes and sales taxes have temporarily increased to \$40,000. There are MAGI phase-outs beginning at \$500,000, but the SALT deduction will not phase out below \$10,000. *Effective tax years: 2025-2029*
- Total itemized deductions are limited for taxpayers in the 37% bracket (income over \$751,000 MFJ). The value of itemized deductions is limited to 35 cents on the dollar for these taxpayers. *Effective: Jan. 1, 2026*
- New itemized deduction available for unreimbursed educator expenses. Above the line deduction still available for non-itemizers.
- Miscellaneous itemized deductions have been permanently suspended.

### Business Provisions

#### Qualified Business Income Deduction

Pass-through business income deduction remains at 20% but expands the deduction limit phase-in range by increasing the individual limit from \$50,000 to \$75,000 and the joint limit from \$100,000 to \$150,000. *Effective: Dec. 31, 2025*

#### Research and Development Expenses

Allows taxpayers to deduct domestic research/experimental expenditures paid or incurred for tax years beginning Dec. 31, 2024. Small business taxpayers with average annual gross receipts of \$31 million or less will generally be permitted to apply this change retroactively to tax years beginning after Dec. 31, 2021.

#### Small Business Stock

Increases the Section 1202 exclusion for gain from qualified small business stock. Holding periods have been expanded, with the gain exclusion ranging from 50% for three years held, 75% for a four year holding period, and up to 100% if held for more than 5 years. The per taxpayer exclusion amount has increased from \$10 million to \$15 million. *Effective for issuances of stock after July 4, 2024.*

## One Big Beautiful Bill Act



### Business Mergers & Acquisitions and Valuations

We provide expert support for business sales, acquisitions, and estate valuations – delivering accurate appraisals and strategic guidance at every stage.

- **Mergers and Acquisitions** – our team provides strategic guidance at every stage of your business transaction. We represent both buyers and sellers, taking a hands-on approach in managing due diligence and facilitating the full transaction process.
- **Business Valuations** – thorough analysis of location, value, intellectual property, brand strength, and market activity to determine a price that reflects the business's worth and supports a successful sale or appraisal for estate and gift tax purposes.

### Qualified Opportunity Zones

The Act creates a new round of opportunity zones beginning January 1, 2027, with the ability to defer and even exclude capital gains invested in a qualified opportunity fund. New zones will be identified by states on a rolling 10-year basis for investments after 2027. Previous deferrals will still recognize gains on December 31, 2026, but tax-free appreciation in Opportunity Funds can still occur if held for 10 years.

### Other Changes

- Trump Individual Retirement Accounts (IRA) for minors are now available beginning in 2026. Family members can contribute \$5,000 per child per year into these tax-deferred vehicles.
- A series of green energy credits have been terminated as of **September 30, 2025**, including but not limited to, clean vehicle credit, energy efficient home improvement credit and residential clean energy credit.
- Bonus depreciation is now permanently 100% for property acquired after **January 19, 2025**.
- Limited tax credits will be available for contributions to scholarship-granting organizations.
- Child tax credit has increased to \$2,200 with up to \$1,700 (indexed for inflation) remaining refundable.
- Form 1099 reporting threshold has increased from \$600 to \$2,000 starting in 2026.
- Electronic Funds Transfer Act imposes a 1% tax on remittance transfers outside the United States.
- Repayment cap on excess advance Premium Tax Credit (PTC) payments have been eliminated for most taxpayers.
- 529 Plan qualifying expenses have been expanded to include a wider range of higher education expenses. *Effective: Jan. 1, 2026*

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*This letter is being sent to you to encourage you to utilize all the opportunities the new tax law provides as well as offer suggestions for longer range planning. If you are interested in a tax planning appointment, please call our office to discuss these matters further. These updates are as of July 4, 2025*

