

# "THE ONE BIG BEAUTIFUL BILL"

Changes for tax year 2025



Provision	"One Big Beautiful Bill"	Prior Law
<b>Bonus Depreciation</b>	100% Bonus - now permanent	40%
<b>R&amp;D Expensing (Section 174)</b>	Full expensing for Domestic R&E expenses in the year they occur (foreign = 15 years)	Domestic expenses amortized & capitalized over 5 years (foreign = 15 years)
<b>Manufacturing Deductions</b>	100% Expensing for certain Manufacturing structures. 168(n)	N/A
<b>179D</b>	Sunsets for property with construction beginning after 6/30/2026	Max benefit of \$5.81 per sq ft
<b>45L</b>	Sunsets for homes acquired after 6/30/2026	up to \$5,000 per dwelling unit
<b>SALT</b>	\$40,000 cap, phasing out at incomes >\$500,000 married	\$10,000 cap
<b>Section 179</b>	\$2.5M expensing limit; \$4M phase-out threshold; inflation indexing resets to 2024; effective for property placed in service after 12/31/2024.	\$1M expensing limit; \$2.5M phase-out threshold; indexed for inflation (base year 2019).
<b>PTET (Pass Through Entity Tax)</b>	Allows pass-through entities to deduct state taxes at the entity level, bypassing the \$40K SALT cap for owners	Allows pass-through entities to deduct state taxes at the entity level, bypassing the \$10K SALT cap for owners
<b>199A Flow-Through Deduction</b>	20% - now permanent	20%
<b>163j Interest Deductions</b>	EBITDA Standard	EBIT Standard
<b>Clean Electricity Production - 48E / 45Y</b>	Terminates tax credits for projects where construction begins 12 months after enactment and are placed in service after 2027.	Projects eligible if placed in service through 2032
<b>Advanced Manufacturing Credit</b>	35%	25%
<b>Estate Tax Exemption</b>	\$15M per individual (\$30M married) - permanent Effective: 1/1/2026, with automatic inflation indexing	\$13.99M per individual (\$27.98M married) Sunset: Reverts 1/1/2026 to ~\$5-7M (inflation-indexed)
<b>Standard Deduction</b>	\$15,750 (single) / \$31,500 (married)	\$15,000 (single) / \$30,000 (married)
<b>Child Tax Credit</b>	\$2,200 per child (adjusted for inflation, prospectively)	\$2,000 per child
<b>No Tax on Tips and Overtime</b>	Up to \$25,000	N/A
<b>Auto Loan Interest Deduction</b>	Up to \$10,000 for U.S. vehicles (phasing out >\$100k single/\$200k married)	N/A
<b>Adoption Credit</b>	\$5,000 of current credit made refundable (adjusted for inflation, prospectively)	Up to \$17,280, non-refundable
<b>Deductions for Seniors</b>	\$6,000 for age 65+ (individuals), phase out > \$75,000 single/\$150,000 married	\$1,600 for age 65+
<b>1099-K</b>	\$20,000 and >200 transactions	\$2,500