

Top 10 OBBBA provisions for individuals

Provision	Pre-OBBBA Law	New Law
New deduction for seniors	N/A.	Effective 2025-2028, a \$6,000 deduction for each qualified individual 65 or older. Subject to a MAGI limit of \$150,000 for MFJ and \$75,000 for all others, reduced by 6% of the taxpayer's MAGI in excess of those limits.
No tax on tips	N/A.	Effective 2025-2028, a deduction of up to \$25,000 on reported qualified tips (available to both itemizers and non-itemizers). Phased out for individuals with a MAGI over \$150,000 (\$300,000 for MFJ).
No tax on overtime pay	N/A.	Effective 2025-2028, a deduction of up to \$12,500 (\$25,000 for MFJ) for qualified overtime compensation (available to both itemizers and non-itemizers). Phased out for individuals with a MAGI over \$150,000 (\$300,000 for MFJ).
Car loan interest	N/A.	Effective 2025-2028, an interest deduction of up to \$10,000 per year on qualified personal car loans. Phased out for a MAGI of \$200,000 for MFJ and \$100,000 for all others. The car must have been assembled in the U.S.
State and local tax (SALT) deduction	Limited to \$10,000 (\$5,000 for MFS).	Beginning in 2025, the cap is increased to \$40,000 (\$20,000 for MFS). The deduction is reduced by 30% of the excess over a \$500,000 MAGI (\$250,000 for MFS).



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Child tax credit	Nonrefundable credit amount of \$2,000 per eligible child; up to \$1,400 refundable (indexed for inflation).	Effective 2025, nonrefundable credit amount permanently increased to \$2,200 per eligible child (refundable credit permanently increased to \$1,400). Credit amounts will be indexed for inflation beginning in 2026.
Standard deduction	Deduction for 2025 was scheduled to be \$30,000 MFJ, \$22,500 HOH, and \$15,000 for single filers.	Effective 2025, permanently increases standard deduction to \$31,500 MFJ, \$23,625 HOH, and \$15,750 for single filers (amounts will be indexed annually for inflation).
Green energy tax credits	Available through various dates.	Certain credits have been repealed (e.g., after 9/30/25 for the clean vehicle credit; after 2025 for the energy efficient home improvement credit).
Overall limit on itemized deductions	N/A for 2025.	Effective 2026, certain high-income taxpayers subject to a reduction in itemized deductions by 2/37 of the lesser of (1) total itemized deductions or (2) the amount by which income exceeds the 37% bracket threshold.
Charitable contribution deductions	Individuals had to itemize; subject to certain AGI limits.	Effective 2026, charitable contributions deducted on Schedule A will be reduced by 0.5% of AGI. Non-itemizers will be allowed to deduct charitable contributions of up to \$1,000 (\$2,000 if MFJ) per year.



Source: U.S. House of Representatives, Committee on Ways and Means, "The One Big Beautiful Bill," H.R. 1, 117th Cong., 1st Sess. (2021), <https://www.house.gov/committees/waysandmeans>.

Top 10 OBBBA provisions for businesses

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Bonus depreciation	Was being phased out (due to expire entirely after 2026). 40% bonus depreciation was available for 2025 prior to enactment of the OBBBA.	Makes 100% bonus depreciation permanent for qualified property acquired and placed in service after 1/19/25.
Section 179 expensing	The annual dollar limit and eligible property ceiling for 2025 were \$1,250,000 and \$3,130,000, respectively.	Increases the dollar limitation to \$2,500,000 and the phaseout threshold to \$4,000,000 for 2025 (will be indexed for inflation after 2025).
R&D expenses	Were required to be capitalized and amortized over a 60-month period (15 years for foreign R&D expenses).	Effective 2025, allows a permanent deduction for domestic R&D expenses (no change to foreign R&D). Certain small businesses can apply the change retroactively to 2022.
Business interest expense limit	For years beginning after 2021, ATI aligned with EBIT, meaning depreciation, depletion, and amortization deductions were not added back to taxable income to compute ATI.	Effective 2025, permanently restores the ATI calculation to align with EBITDA.
Qualified production property	N/A.	For property for which construction begins after 1/19/25 and before 1/1/29, and is placed in service before 1/1/31, eligible for 100% bonus depreciation.



Top 10 OBBBA provisions for businesses

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Qualified small business stock	Capital gains exclusion for qualified small business stock (QSBS) held more than five years; capped at \$10 million or 10x basis.	For QSBS issued after 7/4/25, exclusion is tiered (50%, 75%, or 100%) based on number of years held; cap increased to \$15 million.
QBI deduction	Not available for tax years starting after 2025.	Makes the deduction permanent, effective 2026. Also creates a \$400 minimum deduction and increases phaseouts.
Energy efficient commercial buildings deduction	Taxpayers that own or lease commercial buildings could deduct, rather than capitalize and depreciate, all or part of the cost of qualifying energy efficient commercial building property.	Repeals the deduction for property construction that begins after 6/30/26.
Form 1099 threshold	A Form 1099-NEC or 1099-MISC must be issued for any payment of \$600 or more.	For payments made in 2026, the \$600 threshold is increased to \$2,000.
Excess business loss limit	Was scheduled to expire after 2028.	Effective 2027, makes the excess business loss rules permanent.



OBBBA action plan

