Top 10 OBBBA provisions for businesses

Provision	Pre-OBBBA Law	New Law
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

Provision	Pre-OBBBA Law	New Law
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.

Business Interest Expense

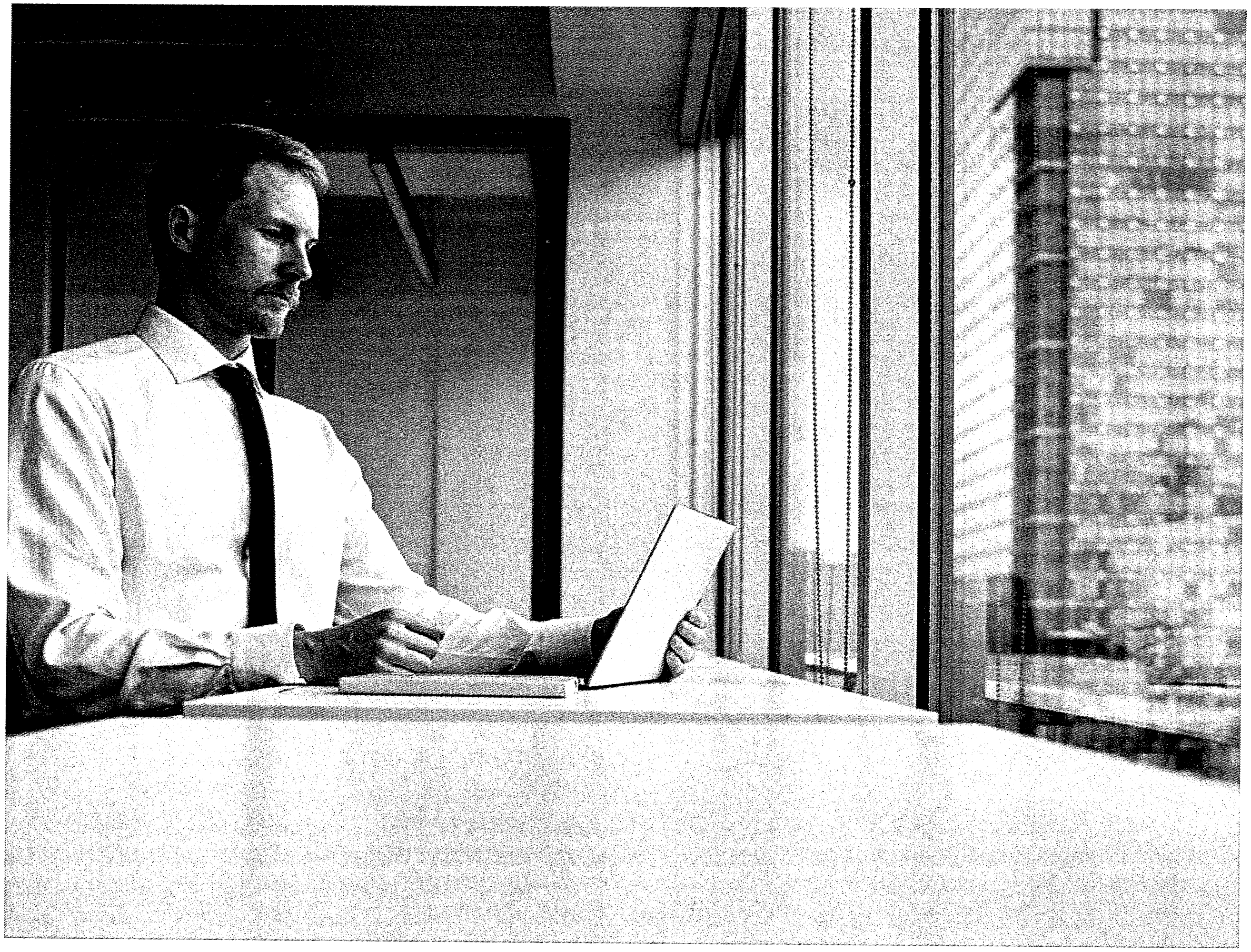
The limitation on business interest expense deductions is reinstated, starting in 2025.

- Limited to the sum of business interest income, floor plan financing interest, and 30% of taxable income
- Adjusted taxable income corresponds to earnings before interest, taxes, depreciation, and amortization (EBITDA), rather than earnings before interest and taxes (EBIT) as previously.

Qualified Business Income Deduction

The deduction for qualified business income is made permanent at 20%.

- Phase-out begins at $75,000 for single filers ($150,000 for married filing jointly).
- New inflation-adjusted minimum: $400 for taxpayers with at least $1,000 of QBI.



Bonus Depreciation

Bonus depreciation rate increased for property placed in service after Jan. 19, 2025 (not otherwise retroactive).

- 100% for qualified property, and specified plants planted or grafted post Jan. 19, 2025.
- 100% for qualified production property constructed after January 19, 2025, before January 1, 2029, and placed in service before 2031.
- Qualifying property definition expanded to include qualified sound recordings produced after 2025.

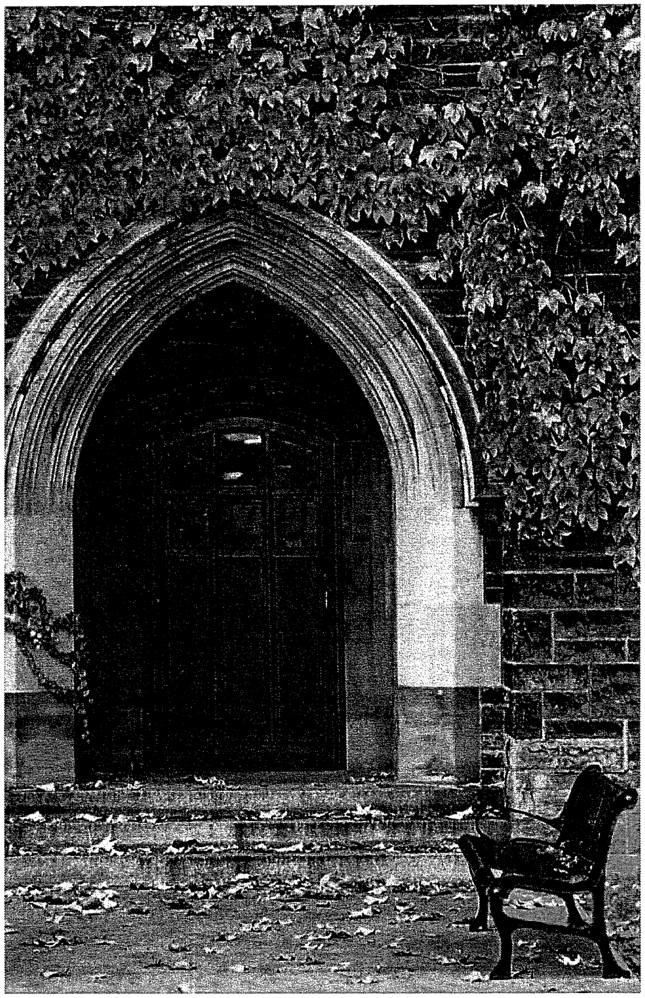
Excise Tax on Private Universities and Colleges

The 1.4% excise tax imposed on the net investment income of private colleges and universities is modified into a tiered system based on the institution's student-adjusted endowment

- Certain smaller institutions will no longer be liable.

The flat rate system has been replaced by a graduated rate structure with three levels:

- 1.4% for endowments of $500,000 to $750,000
- 4% for endowments of $750,000 to $2,000,000
- 8% for endowments over $2,000,000



Section 1202 Qualified Small Business Stock

The QSBS gain exclusion rules are modified to provide for a tiered gain exclusion for QSBS acquired after July 4, 2025.

Exclusion:

- 50% if held for 3 years
- 75% if held for 4 years
- 100% if held for 5 years

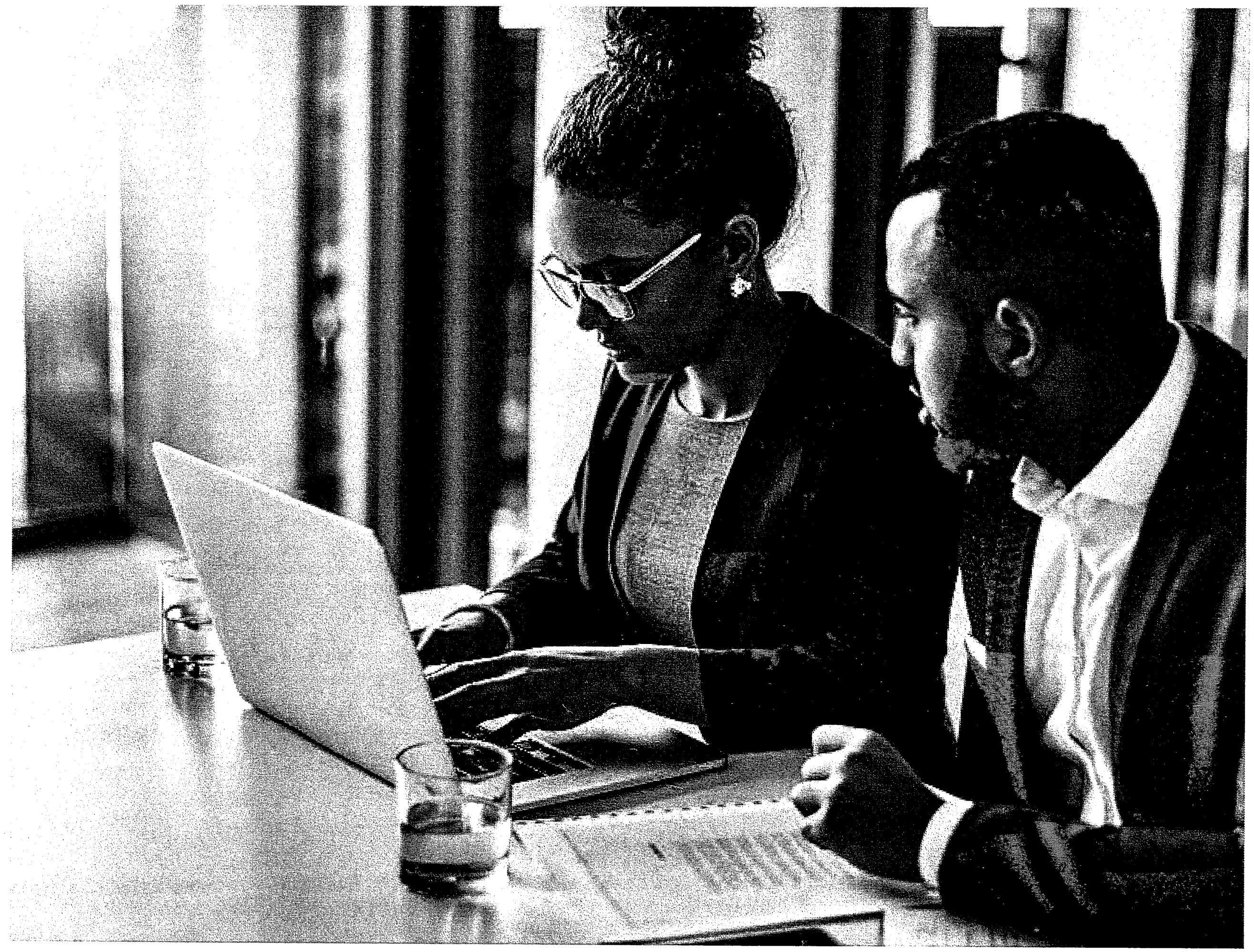
1099 Reporting

Information reporting (MISC, NEC)

- Starting in 2026, the dollar threshold for information reporting increased from $600 to $2,000.
- Will be adjusted for inflation after 2025.

De minimis payments by third parties (K)

- The original threshold for third-party settlement payment reporting has been reinstated.
- Gross payments of $20,000 or more AND more than 200 transactions.



Other TCJA-Related Business Provisions Phasing Down

Research and experimental expenses deduction limits increased to 100% starting in 2025.

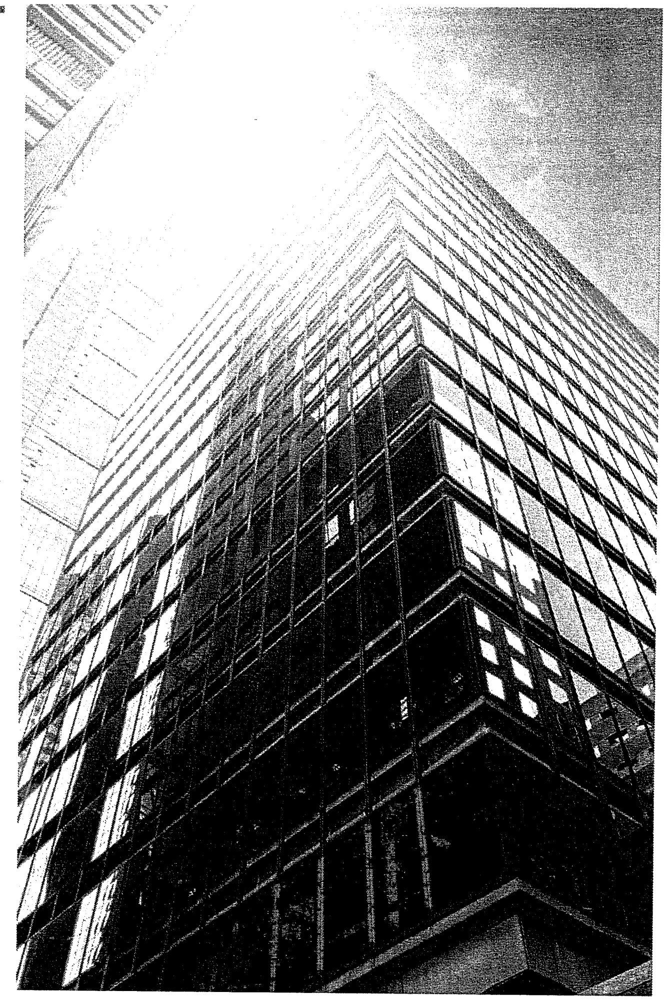
- Foreign activity remains 15-year amortization.
- Small businesses with gross receipts of $31 million or less may retroactively apply the new limits to tax years after 12/31/2021.

Code Sec. 179 expensing dollar limitation and investment limitation increased, with inflation-adjusted amounts.

- Sec. 179 dollar limitation is $2.5 million in 2025
- Investment limitation is $4 million in 2025

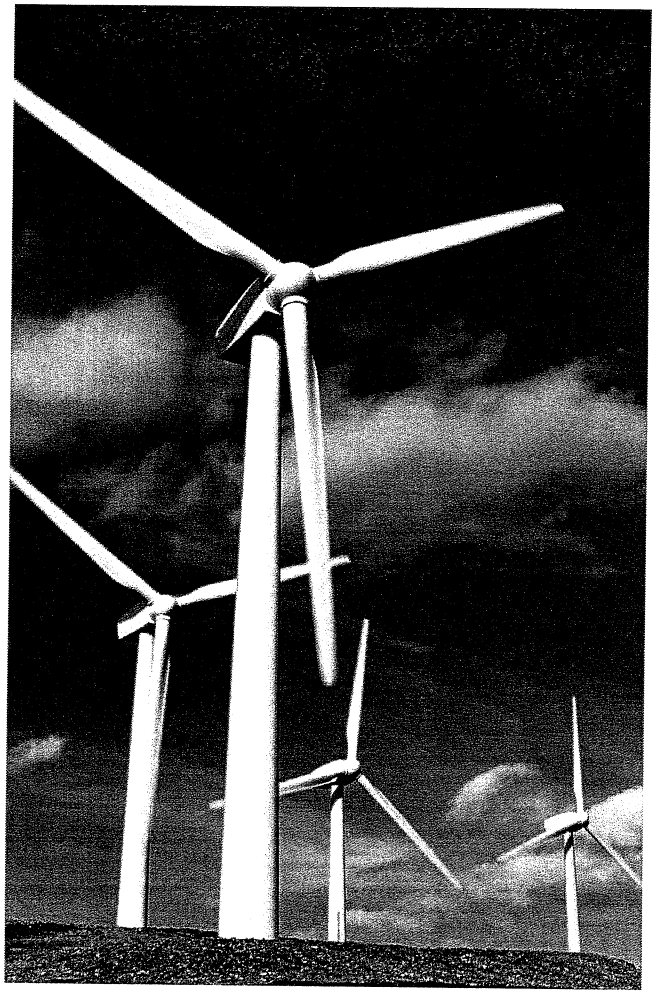
Paid Family and Medical Leave Act (FMLA) employer credit extended and modified while made permanent, starting after 2025.

- Employers can claim credits for paid FMLA leave insurance premiums or wages to/for a qualified employee



Clean Energy Provisions Terminated after Sept. 30, 2025

Commercial Clean Vehicle Credit Code Sec. 45W.	This credit is terminated and applies to qualified vehicles acquired before Sept. 30, 2025.
Previously-owned Clean Vehicle Credit Code Sec. 25E.	This tax credit of up to $4,000 for the purchase of previously-owned clean vehicles is terminated for vehicles acquired after Sept. 30, 2025.
Clean Vehicle Credit Code Sec. 30D.	This tax credit up to $7,500 for a new clean vehicle is terminated for vehicles acquired after Sept. 30, 2025.

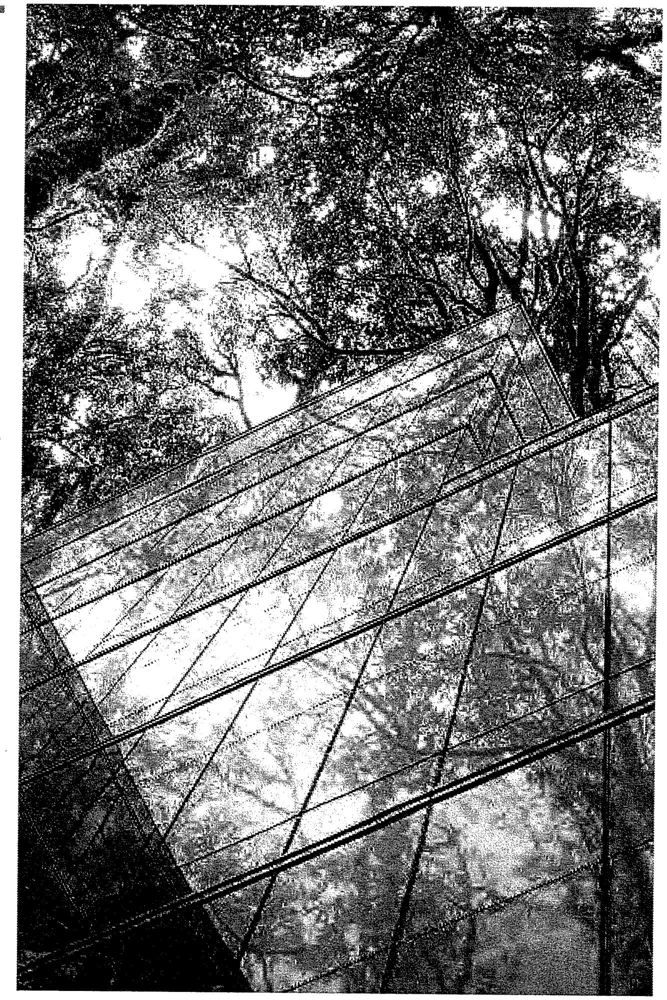


Clean Energy Provisions Terminated after Dec. 31, 2025

Energy-efficient Home Improvement Credit Code Sec. 25C	The credit is terminated and does not apply to property placed in service after December 31, 2025.
Residential Clean Energy Credit Code Sec. 25D	The credit is terminated and does not apply to property placed in service after December 31, 2025.
Sustainable Aviation Fuel Credit Code Sec. 45Z	The higher credit rate for sustainable aviation fuel (SAF) is eliminated, and SAF will have the same credit rate as non-SAF transportation fuels, effective for fuels sold after 2024.

Clean Energy Provisions Terminated after Jun. 30, 2026

Energy Efficient Home Credit Code Sec. 45L.	This credit terminates early and applies to qualified homes acquired by Jun 30, 2026.
Alternative Fuel Vehicle Refueling Credit Code Sec. 30C.	This credit does not apply to property placed in service after Jun 30, 2026.
Energy-efficient Commercial Building Deduction Code Sec. 179D.	This deduction is terminated and does not apply to property beginning construction after Jun. 30, 2026.



Clean Energy Provisions with Extensions/ Restrictions

Clean Fuel Production Credit Code Secs. 45Z, 6418, and 6426.	Extended by three years and is available for fuel sold by the end of 2029. Beginning in 2025, fuel must be derived exclusively from domestic feedstock.
Clean Electricity Production Credit Code Secs. 45Y, 45, 48D, 48E, 6418, 6501.	The credit may not be claimed for any wind or solar energy facility placed in service starting in 2028; the termination applies to facilities the construction of which begins after Jul 4, 2026.
Clean Hydrogen Production Credit Code Sec. 45V.	The credit and the election to treat clean hydrogen production facilities as energy property are only available for facilities that begin construction before 2028.
Advanced Manufacturing Production Credit Code Secs. 45X, 6418, and 6501.	Credit may not be claimed for wind components produced and sold after 2027 and metallurgical coal produced after 2029. Additional restrictions and phase-outs are placed on this credit starting in 2025.
Clean Electricity Investment Credit Code Secs. 48E, 48, 50, 1371, 6418, 6501	Credit is terminated for wind and solar energy facilities placed in service after 2027. Credit for qualified fuel cell property with construction beginning after 2025 is increased to 30% maximum.