

One Big Beautiful Bill

Comprehensive Analysis of Tax Provisions

The following is a comprehensive overview of the One Big Beautiful Bill Act signed into law on July 4, 2025. The pink highlighted text reflects those expanded or new provisions of the law which are particularly noteworthy. This information is in summary form and the detailed law and guidance should be referenced for the specific application of each provision.

INDIVIDUAL TAX PROVISIONS

Provision	Current Law	New Law Overview	Details	Effective Date
Individual Income Tax Rates	TCJA rates (10–37%) through 2025; revert to higher pre-TCJA after 2025	TCJA rates made permanent; brackets indexed for inflation; 39.6% bracket does not return	Makes the lower tax rates permanent, preventing automatic increases. Additional year of inflation adjustment for bottom two brackets (10% and 12%) using 2016 as base year instead of 2017, making these brackets slightly higher than simple TCJA extension.	2026 (permanent)
Standard Deduction	Nearly doubled by TCJA; reverts to lower pre-TCJA after 2025	Permanently increased: \$31,500 (joint), \$23,625 (HOH), \$15,750 (single), indexed	Enhanced beyond TCJA levels: additional \$750 for singles, \$1,500 for joint filers, \$1,125 for HOH in 2025 only. Indexed for inflation permanently after 2025	2026 (permanent)
Personal Exemptions	Suspended through 2025	Permanently repealed; new \$6,000 deduction for seniors (2025–2028), phased out at \$75k/\$150k	Complete elimination of personal exemptions. New senior deduction phases out: for every \$1 of income above threshold, deduction reduced until eliminated	2026 (permanent); senior deduction 2025–2028

Provision	Current Law	New Law Overview	Details	Effective Date
Child Tax Credit	\$2,000/child (partial refundability), reverts to \$1,000 after 2025	\$2,200/child, indexed; refundable portion capped at \$1,400	Permanent 10% increase over TCJA level. Refundable portion remains at \$1,400 (not increased). Credit phases out at \$200k single/\$400k joint; requires Work-eligible Social Security Number is required for the taxpayer (or at least one spouse on a joint return) AND for every qualifying child, and each SSN must be issued on or before the return's due date.	2026 (permanent)
Child and Dependent Care Credit	Maximum credit rate at 35%	The child and dependent care credit maximum credit rate increases to 50% after December 31, 2025	Maximum credit rate of 50% phased out but not below 20%	2026 (permanent)
Adoption Credit	Non-refundable	Effective for tax years beginning after 2024, up to \$5,000 of the adoption credit is refundable (adjusted for inflation in tax years after 2025).	Effective for tax years beginning after 2024, up to \$5,000 of the adoption credit is refundable (adjusted for inflation in tax years after 2025). However, the refundable portion of the credit may not be carried forward. In addition, Indian tribal governments are permitted to make a determination that a child has special needs for purposes of the adoption credit.	After 2024

Provision	Current Law	New Law Overview	Details	Effective Date
Alternative Minimum Tax (AMT)	Higher exemption/phase-out through 2025	Higher thresholds made permanent; phase-out for joint filers reverts to 2018 level, indexed after 2026	Exemption: \$85,700 single/\$133,300 joint in 2025. Phase-out begins at \$609,350 single/\$1,218,700 joint. Reset base year affects future inflation adjustments	2026 (permanent)
SALT Deduction	\$10,000 cap through 2025	Cap raised to \$40,000 (2025), increases 1%/yr through 2029, reverts to \$10,000 in 2030; phase-down above \$500k income	Temporary increase: \$40,000 cap in 2025, grows to ~\$41,600 by 2029. Phase-out: 30% reduction per dollar above \$500k threshold. Never below \$10,000. Both cap and threshold indexed at 1% annually	2025–2029; reverts 2030
Mortgage Interest Deduction	\$750,000 limit on acquisition debt through 2025	\$750,000 limit made permanent; mortgage insurance premiums permanently deductible	Prevents reversion to \$1M limit. Mortgage insurance premium deduction made permanent (subject to income phase-out for higher earners)	2026 (permanent)
Casualty Loss Deduction	Limited to federally declared disasters	Limitation made permanent; disaster loss exception expanded to state-declared disasters	Maintains TCJA restriction to only disaster-related losses. Expansion allows state governor disaster declarations to qualify, not just federal.	2026 (permanent)
Miscellaneous Itemized Deductions	Suspended through 2025	Suspension made permanent; unreimbursed educator expenses allowed as itemized deduction	Complete elimination of most miscellaneous itemized deductions. Exception: educators can deduct unreimbursed expenses as itemized deduction (currently above-the-line).	2026 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
Pease Limitation	Suspended through 2025	Returns as cap for 37% bracket, limiting benefit to 35% bracket	Reinstates income-based reduction of itemized deductions only for highest earners (37% bracket). Limits itemized deduction benefit to 35% bracket rate.	2026 (permanent)
Charitable Contributions	Non-itemizer deduction expired	Permanent non-itemizer deduction (\$1,000 single/\$2,000 joint); 0.5% floor on itemized deductions	Above-the-line deduction for non-itemizers. New floor: itemized charitable deductions must exceed 0.5% of AGI to be deductible.	2026 (permanent)
No Tax on Tips	Tips are taxable	Deduction for reported tip income up to \$25,000, phases out at \$150k/\$300k; FICA tip credit extended to beauty services	Above-the-line deduction for tip income reported to employer. Full phase-out by \$175k single/\$350k joint. Beauty services added to tip credit for FICA taxes. Applies to businesses that traditionally receive tips and excludes specified service businesses under 199A. Need further guidance on who qualifies and phase out.	2025–2028
No Tax on Overtime	Overtime pay is taxable	Deduction for overtime pay up to \$12,500, phases out at \$100k/\$200k	Above-the-line deduction for overtime compensation. Applies to hours over 40/week separately stated on W-2 and based on definition of qualified overtime compensation under Fair Labor Standards Act. Full phase-out by \$125k single/\$250k joint.	2025–2028

Provision	Current Law	New Law Overview	Details	Effective Date
Automobile Loan Interest Deduction	Not deductible	Deduction up to \$10,000 for interest on vehicles purchased after 2024, phases out at \$100k/\$200k	Above-the-line deduction for auto loan interest. Vehicle must be purchased after 12/31/24. Applies to new passenger vehicles with final assembly in the US. Full phase-out by \$125k single/\$250k joint.	2025–2028
Trump Accounts for Newborns	Not available	Tax-favored accounts for children born after 2024 and before January 1, 2029, seeded with \$1,000, similar to IRAs. Contributions are only permitted for taxable years ending before the calendar year in which the beneficiary turns 18.	Government contributes \$1,000 to account. Parents/others can contribute up to \$5,000/year. Counts towards annual gift limit. Employer can match up to \$2,500 which is not included in taxable income. Tracks stock index. Half withdrawable at 18, full at 25. Operates like a Roth IRA but withdrawals are penalty free. Pilot program for 2025–2028. Requires work-eligible SSN for both parents in pilot. Need additional guidance and details on how this will work.	2025 (permanent)
529 Plan Expansion	Limited to college expenses and \$10k limit for K-12 expenses; ABLE rollovers temporary	Increases withdrawal limit to \$20k for K-12, for tax years beginning January 1, 2026, and expands to include home schooling expenses effective immediately; ABLE rollovers permanent	529 funds can pay for elementary, secondary, and homeschooling expenses. Adds seven new categories of qualified expenses. Includes certain post-secondary credentialing expenses, certifications, and professional exams. Permanent rollover to ABLE accounts for disabled beneficiaries.	2025 – Expanded K-12 expenses After 2025 – Raised K-12 Limit to \$20,000 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
Charitable Credit for Scholarships	Not available	Nonrefundable credit up to \$1,700 for donations to scholarship-granting organizations	Dollar-for-dollar credit for donations to qualified scholarship organizations. Limited to \$1,700 per return annually with unlimited carryover. Amount of credit cannot be also taken as charitable deduction. Works in tandem with state credit programs and reduces the federal credit dollar for dollar based on state credit used. It precludes stacking for getting double benefits.	2027 (permanent)
Deduction for Seniors	Not available	\$6,000 deduction for seniors (65+), phases out at \$75k/\$150k	Above-the-line deduction for taxpayers 65+ (per individual not couple). Completely phased out by \$81k single/\$175k joint. The deduction is reduced by 6% of the excess MAGI above the threshold and completely phased out at \$175k single/\$350k joint. The deduction is not allowed unless the correct SSN is provided for the taxpayer. Omission is treated as a mathematical or clerical error.	2025-2028

Provision	Current Law	New Law Overview	Details	Effective Date
Social Security Income	Taxable above certain thresholds	No change, but senior deduction may offset	No modification to Social Security taxation thresholds or rates. Senior deduction provides indirect relief.	—
Student Loan Forgiveness Exclusion	Temporary for death/disability	Made permanent	Permanent exclusion from income for loan forgiveness due to death or total/permanent disability.	2025 (permanent)
Bicycle Commuter Reimbursement	Suspended through 2025	Permanently eliminated	Complete repeal of tax-free employer reimbursement for bicycle commuting expenses.	2026 (permanent)
Gambling Losses	Losses deductible to 100% of winnings.	Gambling losses are limited to 90% of the amount of losses incurred that do not exceed gambling winnings from the tax year.	Definition of “losses from wagering transactions” is made permanent and modified to limit deductions for wagering losses to 90% of the amount of such losses in excess of gains from the taxable year.	2026 (permanent)
Dependent Care Assistance Benefits	Temporary through 2025	The exclusion for dependent care assistance is increased up to \$7,500 annually (\$3,750 in the case of a married individual filing separately).	The exclusion for dependent care assistance is increased up to \$7,500 annually (\$3,750 in the case of a married individual filing separately).	2026 (permanent)
Education Assistance Benefits	Temporary through 2025	The exclusion for employer payments of qualified education loans is permanent.	The exclusion from an employee’s gross income of certain payments made by an employer on a qualified student loan is permanent. The amount is adjusted for inflation for tax years beginning after 2026.	2026 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
Moving Expense Deduction	Suspended except for military	Permanently repealed except for military	TCJA suspension made permanent. Military members retain deduction for PCS moves.	2026 (permanent)
Gain from Sale of Qualified Farmland Property	Not Available	New Code Sec. 1062 allows taxpayers to elect to pay taxes on gains from the sale or exchange of qualified farmland property to a qualified farmer in four equal annual installments.	New definitions of Qualified farmland property. The election applies to the sale or exchange of qualified farmland property to a qualified farmer, who is an individual actively engaged in farming.	Sales & Exchanges After July 4, 2025
ABLE Savers Credit	Saver's credit for ABLE contributions temporary	Credit extended permanently; max credit \$2,100	Mirrors retirement-savers credit structure. Extends savers credit for ABLE contributions and increases maximum credit to \$2,100.	2026
ABLE Account Contribution Limits	Increased ABLE contribution limits expire after 2025	Permanently extends enhanced contribution limits	Removes sunset provision, making higher limits permanent. Indexed for inflation adjustments after 2026.	2026 (permanent)

BUSINESS TAX PROVISIONS

Provision	Current Law	New Law Overview	Details	Effective Date
Bonus Depreciation	100% through 2022, phases out after	Permanently restores 100% bonus depreciation for property acquired after Jan. 19, 2025	Immediate write-off of qualifying property (machinery, equipment, vehicles). Must be acquired and placed in service after Jan. 19, 2025. Retroactive for acquisitions from Jan. 19, 2025	After Jan. 19, 2025 (permanent)
Production Property Depreciation	Not available	Elective 100% depreciation for qualified production property (manufacturing, ag, etc.) begun after Jan. 19, 2025, placed in service by 2030	Special 100% depreciation for manufacturing plants, agricultural property, and other production facilities. Must begin construction after Jan. 19, 2025, and be placed in service by Dec. 31, 2030. Election per property. Statement must be filed by the due date (with extensions) for the placed-in-service year	After Jan. 19, 2025 (permanent)
Section 179 Expensing	\$1.25M limit, phase-out at \$3.13M	Limit increased to \$2.5M, phase-out at \$4M, indexed for inflation	Doubled expense limit for small businesses. Phase-out: \$1 reduction for each \$1 of qualifying property over \$4M. Completely eliminated when property exceeds \$6.5M.	After 2024 (permanent)
QBI Deduction (199A)	20% deduction through 2025	Made permanent; expands qualification; minimum \$400 deduction for \$1,000+ qualified income	20% deduction for pass-through income made permanent. New minimum: \$400 deduction if at least \$1,000 QBI from active participation. Phase-in thresholds increased: \$75k single/\$175k joint (from \$50k/\$100k).	2026 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
R&D Expensing	Must amortize domestic R&D over 5 years	Immediate expensing of domestic R&D restored; election to capitalize/ amortize over ≥60 months	Domestic R&D fully deductible when paid/incurred under new Section 174A. Alternative: elect to capitalize and amortize over 60+ months. Can take all previously amortized expenses in 2025 or ratably over 2025 and 2026 or continue 5 year amortization. Special provisions for small businesses. Small businesses (under \$31m avg revenue) can retroactively claim deduction for 2022–2024 and file amended returns in addition the normal provisions.. Foreign R&D still amortized over 15 years.	After 2024 (permanent)
Business Interest Deduction (163j)	Limited to 30% of ATI, including depreciation/amortization	Excludes depreciation/amortization from ATI; excludes Subpart F, GILTI, Sec. 78 gross-up	More generous ATI calculation increases deductible business interest. ATI = EBITDA basis (excludes D&A). Also excludes international income inclusions from limitation calculation.	2026 (permanent)
Excess Business Loss Limitation (461(l))	Expires after 2028	Made permanent; modifies tracking/application of losses	Threshold: \$313k single/\$626k joint (2025, indexed). Disallowed losses carry forward as NOLs. Specified losses from prior disallowances added to current year deductions for limitation calculation.	2025 (permanent)
Qualified Small Business Stock (1202)	50% exclusion (3 yrs), 75% (5 yrs), \$10M gain limit, \$50M asset ceiling	50% (3 yrs), 75% (4 yrs); gain limit \$15M, asset ceiling \$75M, both indexed after 2026	New law applies to stock issued after July 5, 2025. Exclusion not subject to AMT.. Prior issued stock subject to current law.	Stock issued after July 5, 2025 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
Opportunity Zones	Temporary, with 10-year designations	Permanent with rolling 10-year designations; enhanced rural benefits; modifies gain recognition/reporting	Permanent program with new designations every 10 years starting 2027. 5-year gain deferral for post-2026 investments. 10% basis step-up after 5 years (30% for rural). Rolling designations allow fresh zones. Stricter census tract criteria (70% vs 80% of median income).	2027 (permanent)
Low-Income Housing Credit	State allocation ceiling; bond financing requirement	State allocation ceiling increased 12.5%; bond financing rule modified; includes Indian/rural areas	Permanent 12% increase in state LIHTC allocations (from current ceiling). Bond financing threshold lowered to 25% of project costs (from 50%) for properties placed in service after 2025, if at least 5% financed with post-2025 bonds.	2026 (permanent)
Charitable Contributions	10% Ceiling for C Corporations	1% floor in addition to 10% Ceiling	1% floor and 10% ceiling, modifies carryover rules	2026 (permanent)
Meals Deduction	50% deductible; some exceptions	Adds exception for meals on fishing vessels/processing plants	100% deduction for meals provided to employees on qualifying commercial fishing vessels or fish processing plants. Existing business meal rules unchanged (generally 50%).	2026 (permanent)
Form 1099 Reporting	1099-K: \$600; 1099-NEC/MISC: \$600	1099-K: \$20,000/200 transactions; 1099-NEC/MISC: \$2,000, indexed	Raises thresholds to reduce compliance burden. 1099-K: must meet both \$20,000 AND 200 transaction thresholds (effective immediately). 1099-NEC/MISC: \$2,000 threshold indexed for inflation (effective for 2026 payments).	2026 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
Remittance Excise Tax	Not applicable	1% excise tax on remittance transfers after 2025; exceptions for most financial institution accounts. Applies to transfers outside the formal banking system.	1% tax on money transfers to foreign countries. Exceptions: transfers between accounts at same financial institution, certain business transfers, and transfers to US territories.	After 2025
Employer-Provided Child Care Credit	Credit for Employer-Provided Child Care	The employer-provided child care credit is increased to 40%; eligible small business, the credit is 50%	The Code Sec. 45F employer-provided child care credit is increased to 40 percent of qualified child care expenditures paid or incurred after 2025, up to a maximum of \$500,000. For an eligible small business, the credit is 50 percent of qualified expenditures, up to a maximum of \$600,000. The maximum limits are indexed for inflation after 2026. Small businesses may pool their resources and jointly own and operate a qualified child care facility.	2026 (permanent)
Employer Credit for Paid Family and Medical Leave	Credit for Employer Paid Family and Medical Leave	Made permanent	The Code Sec. 45S employer credit for providing paid leave under the FMLA is made permanent, allows employers to claim credits for paid FMLA leave insurance premiums or wages, modifies the definition of qualifying employee, and introduces an aggregation rule for employers in a controlled group.	2026 (permanent)

Provision	Current Law	New Law Overview	Details	Effective Date
<p>Percentage of Completion Method of Accounting</p>	<p>Residential Construction Contractors subject to percentage of completion method</p>	<p>The long-term contract rules, including the generally required use of the percentage of completion method, do not apply to residential construction contracts.</p>	<p>Residential construction contracts are contracts other than home construction contracts for which 80 percent or more of the total estimated costs under the contract are reasonably expected to be attributed to the building, construction, reconstruction, or rehabilitation of, or improvements to real estate directly related to and located on the site of dwelling units. A dwelling unit, only for purposes of this exception, is a house or apartment used to provide living accommodations in a building or structure, but does not include a unit in a hotel, motel, inn, or other establishment more than one-half of the units in which are used on a transient basis</p>	<p>Upon enactment</p>

FOREIGN/INTERNATIONAL TAX PROVISIONS

Provision	Current Law	New Law Details	Details	Effective Date
GILTI Deduction	50% deduction (13.125% effective rate), FTC haircut 20%, QBAI return	Deduction reduced to 40% (14% rate); FTC haircut 10%; QBAI return repealed	Less generous deduction increases effective tax rate from 13.125% to 14%. Foreign tax credit haircut reduced from 20% to 10% (more generous). QBAI safe harbor eliminated - all CFC income potentially subject to GILTI.	2026 (permanent)
FDII Deduction	37.5% deduction (16.4% rate)	Deduction reduced to 33.34% (14% rate)	Foreign-derived intangible income deduction reduced, increasing effective rate from 16.4% to 14%. Encourages domestic activity and R&D but at higher tax cost.	2026 (permanent)
BEAT	10% through 2025, 12.5% after	10.5% after 2025; certain interest is base erosion payment	Base erosion anti-abuse tax rate set at 10.5% (lower than scheduled 12.5%). Expands base erosion payments to include certain interest expenses to related parties.	2026 (permanent)
CFC Look-Through Rule	Temporary	Made permanent	Permanent exception allowing income from one CFC to be offset by losses from another CFC of the same U.S. shareholder for foreign tax credit purposes.	2026 (permanent)
Downward Attribution (958(b))	No exception	Restores exception to prevent downward attribution from foreign to U.S. persons	Prevents foreign persons from being treated as owning stock in U.S. corporations through downward attribution rules, reducing CFC determinations.	2026 (permanent)

Provision	Current Law	New Law Details	Details	Effective Date
Foreign Tax Credit (FTC)	Expense allocation rules; inventory sales sourcing	Modifies allocation; certain inventory sales capped at 50% foreign-source	Changes expense allocation methodology for FTC limitation. Inventory property sold abroad treated as 50% foreign-source income (capped), increasing foreign tax credit capacity.	2026 (permanent)
Pro Rata Subpart F Inclusion	U.S. shareholders include CFC income if owned on last day	Must include pro rata share if owned any time during the year	Expands Subpart F inclusion requirement. U.S. shareholders must include CFC income proportionate to ownership period during the year, not just year-end ownership.	2026 (permanent)

TAX-EXEMPT ORGANIZATION PROVISIONS

Provision	Current Law	New Law Details	Details	Effective Date
College/ University Endowment Tax	1.4% on net investment income for institutions with 500+ students and \$500k+ per student	Tiered up to 8% for high per-student endowments; minimum 3,000 students required	New tiered structure: 1.4% (\$500k-\$750k per student), 4% (\$750k-\$2M per student), 8% (>\$2M per student). Student threshold increased to 3,000 tuition-paying students. Expands tax base to include student loan interest and IP royalties from federal funding. Student-adjusted endowment = assets ÷ eligible students.	2026 (permanent)
Executive Compensation Excise Tax	21% on compensation >\$1M for top 5 employees	Expands to all current/former employees earning >\$1M	Removes 'top 5' limitation - applies to any employee (current or former) receiving >\$1M annually. Maintains 21% rate. Applies to all applicable tax-exempt organizations and related entities.	2026 (permanent)

ENERGY TAX PROVISIONS

Provision	Current Law	New Law Details	Details	Effective Date
Clean Vehicle Credits (30D/25E)	New: \$7,500; Used: \$4,000	Repealed for purchases after Sep. 30, 2025	Complete elimination of consumer tax credits for electric vehicles. No phase-out period - immediate termination.	After Sep. 30, 2025
Clean Electricity Credits (45Y/48E)	Available through 2033 with gradual phase-down	Solar/wind: must begin construction within 12 months of enactment and be placed in service by Dec. 31, 2027; Other technologies: normal timeline	Rapid termination for solar and wind facilities. 12-month construction deadline from enactment, then hard Dec. 31, 2027 in-service deadline. Energy storage at solar/wind sites exempt from early termination. Other clean technologies continue under normal schedule.	12 months after enactment
Alternative Fuel Refueling Property Credit (30C)	Credit for charging infrastructure	Repealed after June 30, 2026	Elimination of credit for EV charging stations and alternative fuel infrastructure.	After June 30, 2026
Energy-Efficient Home Improvement Credit (25C)	Credit for residential efficiency improvements	Repealed after Dec. 31, 2025	End of consumer credits for heat pumps, insulation, windows, HVAC systems, and other home efficiency improvements.	After Dec. 31, 2025
Residential Clean Energy Credit (25D)	Credit for solar panels, batteries, etc.	Repealed after Dec. 31, 2025	Elimination of residential solar, wind, geothermal, and battery storage credits.	After Dec. 31, 2025
Energy-Efficient Commercial Buildings (179D)	Deduction for efficient commercial buildings	Repealed for construction beginning after June 30, 2026	End of tax deduction for energy-efficient commercial building property.	Construction after June 30, 2026
New Energy-Efficient Home Credit (45L)	Credit for efficient home construction	Repealed for acquisitions after June 30, 2026	Elimination of credits for builders of energy-efficient homes.	After June 30, 2026

Provision	Current Law	New Law Details	Details	Effective Date
Clean Hydrogen Credit (45V)	Production credit for clean hydrogen	Repealed for construction beginning after 2027	Termination of production tax credit for clean hydrogen facilities.	Construction after 2027
Commercial Clean Vehicle Credit (45W)	Credit for Commercial Clean Vehicle	The commercial clean vehicle credit terminates early and may not be claimed for a qualified vehicle acquired on or after October 1, 2025 (rather than January 1, 2033).	The expiration of the qualified commercial clean vehicle credit is accelerated and the credit may not be claimed for a vehicle acquired after September 30, 2025 (instead of December 31, 2032)	October 1, 2025
Advanced Manufacturing Credit (45X)	Credit for clean energy manufacturing	Wind components phased out after 2027; other components after 2031; critical minerals after 2033	Staggered phase-out by component type. Wind components lose credit first, followed by solar and other technologies, then critical minerals.	Various dates
Advanced Manufacturing Investment Credit (48D)	Investment Credit for clean energy manufacturing	The advanced manufacturing investment credit is increased to 35 percent of an eligible taxpayer's qualified investment in an advanced manufacturing facility for the tax year.	Effective for property placed in service after December 31, 2025, the advanced manufacturing investment credit is 35 percent (increased from 25 percent) of the taxpayer's qualified investment in an advanced manufacturing facility for the tax year	2026 (permanent)

Provision	Current Law	New Law Details	Details	Effective Date
Carbon Oxide Sequestration Credit (45Q)	Credit for Carbon Oxide Sequestration	Effective for equipment and facilities placed in service after July 4, 2025, the credit rate under the Code Sec. 45Q carbon sequestration credit for carbon oxide that is captured and utilized by the taxpayer is increased to match the credit rate for carbon oxide captured and disposed of by the taxpayer.	Effective for equipment and facilities placed in service after July 4, 2025, the credit rate under the Code Sec. 45Q carbon sequestration credit for carbon oxide that is captured and utilized by the taxpayer is increased to match the credit rate for carbon oxide captured and disposed of by the taxpayer. The credit may also not be claimed by a specified foreign entity or foreign-influenced entity. Effective for tax years beginning after July 4, 2025, an eligible taxpayer may not elect to transfer any portion of the credit under Code Sec. 6418 to a taxpayer that is a specified foreign entity.	Upon enactment
Transferability Restrictions	Credits transferable under Section 6418	Transferability eliminated for foreign-influenced entities and specified dates	Foreign entities of concern (FEOC) cannot receive transferred credits. General transferability restricted for projects/fuel produced after certain dates.	Various dates
Cost Recovery for Solar or Wind Energy Property	5 Year MACRS Property	The MACRS 5-year recovery period for solar or wind energy property described in Code Sec. 48(a)(3)(A) is eliminated, effective for property whose construction begins after December 31, 2024.	Elimination of MACRS 5 year treatment. Instead, the MACRS recovery period for such property is dependent on the method used to produce the electricity	After 2024

Provision	Current Law	New Law Details	Details	Effective Date
Domestic Content Requirements	Bonus credits for domestic content	Enhanced restrictions on foreign entity participation	Credits denied for projects with material assistance from prohibited foreign entities. Stricter definition of foreign entity of concern.	2026
Clean Fuel Production Credit (45Z)	Credit available through 2027	Extends through 2029 with domestic content and foreign entity restrictions	Extends clean fuel production credit through 2029 with enhanced domestic feedstock requirements. Prohibits credit for fuels produced with prohibited foreign entity assistance. Strengthens domestic content requirements for credit eligibility.	2026-2029

OTHER PROVISIONS

Provision	Current Law	New Law Details	Details	Effective Date
IRS Direct File Program	Pilot program authorized	Terminated within 30 days of enactment; IRS to research public-private partnership	Complete termination of government-run tax filing program. Treasury must establish task force to explore public-private partnership for free filing alternatives within 180 days.	Upon enactment
Employee Retention Credit (ERC)	Refundable credit; claims allowed	Refunds disallowed for claims filed after Jan. 31, 2024; increased penalties for fraudulent promoters. Extension of statute of limitation.	Claims filed after Jan. 31, 2024 are not eligible for refunds. Enhanced penalties for promoters of fraudulent ERC schemes. Extends statute to 6 years from date of filing	Upon enactment
Estate and Gift Tax Exemption	\$13.99M per person (2025), scheduled to drop to ~\$7M in 2026	Permanently increased to \$15M per person, indexed for inflation. Portability remains as under current law.	Prevents scheduled reduction and raises exemption to \$15M. Married couples get \$30M combined exemption. Uses 2025 as base year for future inflation adjustments.	2026 (permanent)
529 to ABLE Rollovers	Temporary	Permanently allowed	Permanent ability to roll unused 529 education funds to ABLE accounts for disabled beneficiaries.	2025 (permanent)
Combat Zone Tax Benefits	Temporary expansion	Permanently expands to certain African countries	Permanent extension of combat pay exclusion and other tax benefits to military serving in designated African combat zones.	2025 (permanent)

Provision	Current Law	New Law Details	Details	Effective Date
Unemployment Benefits for High Earners	No income-based restrictions on unemployment benefit eligibility	Ends unemployment payments to millionaires, annual wages of \$1,000,000 or more in their base period	Eliminates unemployment insurance payments for individuals with high income levels. Prevents millionaires from receiving unemployment benefits during periods of job loss.	Upon enactment
Firearms Transfer Tax (Section 5811) and Making (Section 5821) (NFA Items)	\$200 tax on suppressors, SBRs, SBS, AOWs, machine guns	\$0 tax on suppressors, SBRs, SBS, AOWs; tax remains for machine guns/destructive devices	Eliminates \$200 transfer/manufacturing tax on most NFA items aside from machine guns/destructive devices, effective nationwide.	2026
REIT Taxable Subsidiary Asset Test	TRS asset test threshold set at 20% of REIT assets	Increases TRS asset test threshold to 25%	Raises taxable REIT subsidiary asset test from 20% to 25% of total REIT assets.	2026 (permanent)
Spaceport Exempt Facility Bonds	Spaceports not eligible for tax-exempt financing	Treats spaceports like airports for exempt facility bond purposes	Enables tax-exempt bond financing for qualified spaceport facilities. Must meet operational and public benefit requirements similar to airports.	2026 (permanent)

Provision	Current Law	New Law Details	Details	Effective Date
Sound Recording Production Expenses	Sound recording production costs subject to uniform capitalization rules	Election to expense up to \$150,000 of sound recording production costs	Allows qualifying producers to elect immediate expensing of production costs up to \$150,000 annually. Remaining costs subject to normal capitalization and amortization. Must meet eligibility requirements including US content and independent producer status.	2026 (permanent)
Rural/Agricultural Real Property Lending	No special exclusion for rural lending interest income	25% exclusion for interest on rural and agricultural real estate loans	Excludes 25% of interest income received by qualified lenders on loans secured by rural or agricultural real property. Applies only to certain qualified financial institutions.	2026 (permanent)
Remote Native Village Development	No special tax exemption; fishery income taxed unless shown related to charity; asset transfers taxable.	Tax exemption for Bering Sea/Aleutian Islands fisheries income by CDQ nonprofits & subsidiaries; tax-free asset transfer window.	Fishery activities by CDQ groups automatically treated as tax-exempt; one-time 18-month tax-free consolidation for subsidiaries; applies as long as CDQ program exists.	July 4, 2025; ongoing
Native Alaskan Subsistence Whaling	Charitable deduction for whaling support expenses limited to \$10,000	Increases deduction limit to \$50,000	Raises annual deduction limit for expenses supporting Native Alaskan subsistence whaling from \$10,000 to \$50,000. Indexed for inflation.	2026 (permanent)

Health Tax Provisions

Provision	Current Law	New Law Details	Details	Effective Date
Premium Tax Credit Alien Eligibility	ACA premium tax credits available to all lawfully present aliens meeting income requirements	Restricts PTC eligibility to three specific alien categories	Limits premium tax credit to: (1) lawful permanent residents, (2) Cuban/Haitian entrants, and (3) COFA residents. Eliminates PTC for DACA, TPS, asylum applicants and other lawful aliens.	After 2026 (permanent)
Premium Tax Credit During Medicaid Gaps	PTC allowed when alien ineligible for Medicaid solely due to immigration status	Disallows PTC during periods of Medicaid ineligibility due to alien status	Eliminates premium tax credit eligibility for months when alien is ineligible for Medicaid due to immigration status. Deletes current exception allowing PTC during Medicaid eligibility gaps. May create coverage gaps for low-income aliens.	After 2026 (permanent)
Premium Tax Credit Verification Requirements	Exchanges may begin coverage while post-enrollment data-matching is pending (90-day window)	Requires pre-verification of eligibility before PTC eligibility begins; adds filing compliance requirements	Month counts toward PTC only after Exchange verifies household income, lawful status, prior coverage & residency. Requires pre-enrollment verification portal by Aug 1 each year. If Exchange fails to send required 1095-A data to IRS, PTC is barred for affected months.	2027 (permanent)
Premium Tax Credit Special Enrollment Period Restrictions	PTC allowed for any SEP enrollment if other criteria met	Disallows PTC for certain relationship-based special enrollment periods	Disallows PTC when coverage is gained through SEPs based solely on relationship changes unless HHS waives rule for family-size SEPs. Targets perceived SEP misuse that raises risk mix.	2027 (permanent)

Provision	Current Law	New Law Details	Details	Effective Date
Premium Tax Credit Recapture Limitations	Excess advance premium tax credit repayment capped for taxpayers under 400% FPL	Eliminates all caps on excess advance credit repayment	Removes repayment limitations requiring full repayment of excess advance premium tax credits regardless of income level. Significantly increases potential tax liability for taxpayers who received excess advance credits.	2026 (permanent)
High-Deductible Health Plan Telehealth Safe Harbor	Temporary safe harbor allowing first-dollar telehealth coverage in HDHPs through 2024	Makes telehealth safe harbor permanent	Permanently allows high-deductible health plans to provide first-dollar coverage for telehealth services without disqualifying HSA eligibility. Removes sunset provision providing long-term certainty for plan design and HSA compatibility.	Plan years after 2024
HSA-Eligible Plan Requirements	Only statutory high-deductible health plans qualify for HSA contributions	Allows Bronze and Catastrophic marketplace plans for HSA eligibility	Treats ACA Bronze and Catastrophic Exchange plans as qualifying high-deductible health plans for HSA purposes. Makes approximately 65% of marketplace enrollees newly HSA-eligible. May shift enrollment from Silver to Bronze plans due to HSA advantage.	Months after 2025
Direct Primary Care (DPC) and HSAs	Unclear treatment of DPC arrangement for HSA eligibility	Clarifies Direct Primary Care (DPC) arrangements tax treatment with HSAs	DPC arrangements costing \$150/month individual or \$300/month family do not disqualify HSA eligibility. DPC fees qualify as medical expenses for HSA purposes. Fee caps indexed for inflation. Excludes surgical, RX, and off-site primary care services.	Months after 2025