

# Summary Items For BBB

## INDIVIDUAL & FAMILY BENEFITS

- Tax Rates: The 2017 TCJA brackets and standard deduction are now permanent.
- Child Tax Credit: Increased to \$2,200 per child, with expanded refund-ability and standard phaseouts.
- SALT Deduction: Temporarily increased to \$40,000 through 2029 for filers with MAGI ≤ \$500K; phases back down to \$10K by 2030.
- Senior Deduction: Individuals age 65+ receive an extra \$6,000 standard deduction (2025–2028); phased out above \$75K single / \$150K joint AGI.
- Tips & Overtime Deduction: Above-the-line deduction up to \$25,000 (tips) and \$12,500 (overtime); phased out at \$150K/\$300K AGI.
- Auto Loan Interest: Up to \$10,000 deductible for U.S.-made vehicle loans; phased out above \$100K/\$200K AGI.
- Education & Trump Accounts:
  - New “Trump Accounts” (like 529s), \$5,000/year contribution cap
  - Expanded 529 plan coverage
  - Employer student loan repayment exclusions preserved
  - New Workforce Pell Grants and apprenticeship support

## BUSINESS TAX PROVISIONS

- Section 199A (QBI Deduction):
  - 20% deduction on pass-through income made permanent
  - Full deduction applies up to \$394,600 (MFJ); phased out for SSTBs (e.g., financial advisors, consultants) above that
  - Fully eliminated at \$544,600+ for SSTBs
  - Non-SSTBs retain deduction above limits subject to W-2/capital rules
- Section 179 & Bonus Depreciation:
  - Expensing limit raised to \$2.5 million; phase-out starts at \$4 million
  - 100% bonus depreciation extended through 2030 for qualifying equipment and real estate
- Business Interest Deduction:

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- Full deductibility for interest on investments in R&D, real estate, equipment made permanent
- QSBS Expansion:
  - Enhanced 100% gain exclusion for qualifying small-business stock retained

### RETIREMENT & ESTATE PLANNING

- Estate Tax:
  - Lifetime exemption locked in at \$15 million per person (indexed for inflation), avoiding 2026 sunset
- Retirement Accounts:
  - No changes to Roth IRAs, required minimum distributions, or contribution limits

### HEALTHCARE & SAFETY NET CHANGES

- Medicaid:
  - Estimated \$930 billion in cuts over 10 years
  - Imposes work requirements, biannual eligibility reviews
  - Estimated 11 million people could lose access
- SNAP (Food Assistance):
  - New work requirements imposed
  - States made liable for benefit payment errors

### ACTION ITEMS TO DISCUSS WITH YOUR CPA

1. Plan for the SALT deduction cap increase through 2029 if MAGI is below \$500K
2. Review QBI income structure to stay below SSTB limits or consider S-corp restructuring
3. Accelerate equipment and property purchases to take advantage of bonus depreciation
4. Utilize new deductions for tips, overtime, and auto loans if eligible
5. Maximize education tax benefits, including new Trump Accounts and 529 expansions
6. Use senior and child tax credits to reduce AGI if applicable
7. Review estate planning to lock in the \$15 million lifetime exemption