One Big Beautiful Bill: Breaking Down the Major Tax Shifts

RETIREMENT EDUCATION FOUNDATION

Pre-OBBB	Post-OBBB	Phaseout	Expiration
Standard Deduction			
$15,000 (S); $22,500 (HH); $30,000 (MFJ) (2025)	$15,750 (S); $23,625 (HH); $31,500 (MFJ) (2025)	N/A	Permanent with inflation-adjustments starting in 2026
State & Local Taxes (SALT) Deduction			
$5,000 (MFS); $10,000 all other filers; Expiring in 2026	$20,000 (MFS); $40,000 all other filers (2025); Increases 1% each year from 2026-2029	Reduced by 30% of income earned above $250,000 (MFS); $500,000 all other filers	Permanent but reverts to pre-OBBB limits starting in 2030
Child Tax Credit			
Up to $2,000 per child; Refundable up to $1,700 per child (2025); Reverts to $1,000 in 2026	Up to $2,200 per child; Refundable up to $1,700 per child (2025)	Reduced by 5% of income earned above $200,000 (S/HH); $400,000 (MFJ	Permanent with inflation-adjustments starting in 2026
Estate and Gift Tax Exemption			
$13.99 million (S/HH); $27.98 million (MFJ) (2025); Reverts to $7 million (S); $14 million (MFJ) in 2026	$15 million (S/HH); $30 million (MFJ) (2026)	N/A	Permanent with inflation-adjustments starting in 2027
Qualified Business Income (QBI) Deduction - 199A			
$50,000 (S); $100,000 (MFJ) (2025); Expiring in 2026	$50,000 (S); $100,000 (MFJ) (2025); Minimum $400 deduction if QBI >$1,000 (2026)	N/A	Permanent with inflation-adjustments starting in 2027
Qualified Small Business Stock Gain Exclusion			
Minimum 5-year holding period; 100% exclusion from sale up to $10M	Stock Acquired after 7/4/2025: Held for 3 years = 50% exclusion Held for 4 years = 75% exclusion Held for 5+ years = 100% exclusion From sale up to $15M	N/A	Permanent with inflation-adjustments starting in 2027
Additional Senior Standard Deduction (65+)			
N/A	Additional $6,000 bonus deduction per qualifying individual (age 65+) (2025-2028)	Reduced by 6% of income above $75,000 (S); $150,000 (MFJ)	2029
Tax Deduction on Tips Income			
N/A	Up to $25,000 (2025 - 2028) (S/MFJ)	Reduced by 10% of income earned above $150,000 (S/HH); $300,000 (MFJ)	2029
Tax Deduction on Overtime Pay			
N/A	Up to $12,500 (S); $25,000 (MFJ) (2025-2028)	Reduced by 10% of income earned above $150,000 (S/HH); $300,000 (MFJ)	2029
Auto Loan Interest Deduction			
N/A	Up to $10,000 on new loans for vehicles assembled in the U.S. (2025-2028)	Reduced by 20% of income above $100,000 (S/HH); $200,000 (MFJ)	2029
Charitable Deduction for Non-Itemizers			
N/A	$1,000 (S/HH); $2,000 (MFJ) (2026); Cash donations only	N/A	Permanent
Trump Accounts for Newborns			
N/A	Traditional IRA with self-contributions up to $5,000 per year until child turns 18; One-time $1,000 government contribution for children born 2025-2028	N/A	Permanent (Government contribution ends 2029)

Source: First Trust, Congress.gov, IRS.gov. Data as of 7/4/25. S = Single; HH = Head of Household; MFJ = Married Filing Jointly; MFS = Married Filing Separately. This summary is not intended to be tax or legal advice. This summary cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. The taxpayer should consult an independent tax advisor. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, Retirement Education Foundation is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.