

# OBBS Individual Taxpayer Changes for 2025

*(Summary for business is on page 2)*

## Tax Deduction 2025

- **TCJA Tax Brackets:** (10% - 37%) are now permanent.
- **Standard Deduction** Made permanent and increased:
  - Single: \$15,750
  - HOH: \$23,625
  - MFJ: \$31,500
- **Personal Exemptions:** Remain eliminated.

## Seniors (65+) Standard Deduction Increase

- Single/HOH: \$2,000
- MFJ: \$1,600 each (\$3,200 if both 65+)

## New!! \$6,000 Deduction (2025–2028)

- Above-the-line deduction.
- Phases out at \$75K (Single) / \$150K (MFJ)

## New!! Above-the-Line Deductions (2025–2028)

- **Tips:** Deduct up to \$25,000; phased out at \$150K / \$300K MAGI.
- **Overtime:** Deduct up to \$12,500 per person (\$25,000 MFJ); phased out at \$150K / \$300K MAGI.
- **Car Loan Interest:** Deduct up to \$10,000 for new U.S.-assembled cars for loans after 12/31/2024; phased out at \$100K / \$200K MAGI.

## Tax Credits (2025)

- **Adoption Credit**
  - Max: \$17,280
  - \$5,000 is now refundable
- **Child Tax Credit:** Increased to \$2,200.
- **Additional Child Tax Credit:** Increased to \$1,700.
- **Electric Vehicle Credits:** All expire September 30, 2025.

## Other 2025-Specific Provisions

- **(Awesome!) SALT Deduction:** Increased to \$40,000 for 2025  
(State & Local Tax deduction capped at \$40k, increased from \$10k for itemized deduction)
- **Educator Expenses:** Still an above-the-line deduction capped at \$300.
- **Estate & Gift Tax Exemption for 2025:**
  - \$13.99M (Single)
  - \$27.98M (MFJ)
- **New!!\_Trump Accounts:** \$1,000 credit for children born in 2025–2028  
(accounts open after July 4, 2026).

## **BUSINESS PROVISIONS**

- **1099-K Reporting:** New threshold of \$20,000 and 200 transactions.
- **Bonus Depreciation:** Reinstated at 100% for qualified assets placed in service in 2025.
- **Section 179 Deduction:**
  - Limit increased to \$2.5M.
  - Phase-out starts at \$4M.
- **(Amazing!) R&D Costs:** U.S.-based R&D can be expensed (not amortized).
- **Excess Business Loss (EBL):**
  - Thresholds: \$313K (Single), \$626K (MFJ).
  - Now a permanent rule.
- **Phase-in range for taxable income before QBID above the thresholds:**
  - MFJ: Increased from \$75,000 to \$100,000
  - All others: Increased from \$50,000 to \$75,000

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*For guidance tailored to your individual or business situation—including how the OBBA may affect you—please reach Jasmine at [jasmine@gtfmo.com](mailto:jasmine@gtfmo.com) to schedule a personalized consultation.*