

Table 1. One Big Beautiful Bill Act: A Summary of the Key Provisions

Individuals

- Makes TCJA brackets and higher standard deductions permanent and inflation indexed.
- 2025 standard deduction: \$15,750 (single), \$23,625 (head of household), \$31,500 (joint).
- Raises SALT cap to \$40,000 (indexed through 2029) and keeps PTET workarounds.
- Adds temporary deductions: \$6,000 for seniors and up to \$25,000 for tip income and overtime (through 2028).
- Expands family benefits: child tax credit up to \$2,200, dependent-care credit up to 50% of costs.
- Creates Trump Accounts (up to \$5,000/year for minors) and expands 529 plan uses.
- Makes adoption credit refundable (up to \$5,000) and provides above-the-line charitable deductions (\$1,000 single / \$2,000 joint).

Clean Energy and International

- Phases out several clean-energy credits from 2025–2028.
- Replaces GILTI and FDII with new 14%-rate regimes and raises deemed-paid credit to 90%.

Businesses

- Permanently restores 100% bonus depreciation and raises Sec. 179 limit to \$2.5M.
- Allows immediate expensing of domestic R&D and returns interest limits to EBITDA.
- Makes paid Family and Medical Leave credit permanent.
- Increases employer child-care credit to 40% with a higher cap.
- Encourages investment with 100% depreciation for production property, a 35% manufacturing credit, and permanent Opportunity Zones and New Markets Credits.
- Updates small-business stock exclusion: 75% after four years, 100% after five.

Compliance

- Returns 1099-K threshold to \$20,000/200 transactions, with a \$2,000 indexed floor.
- Tightens ERC due-diligence rules.

Source: “Tax provisions in the One Big Beautiful Bill Act” by Alistair M. Nevius, J.D., *Journal of Accountancy*