

# One Big Beautiful Bill Act of 2025

On July 4, 2025, President Donald J. Trump signed into law the One Big Beautiful Bill Act of 2025 (OBBBA). The following is a high-level summary of several major provisions of the Act.

Item	Prior Law	One Big Beautiful Bill Act
Individual tax rates	2017 Tax Cuts and Jobs Act (TCJA) tax rates expire in 2025	Individual tax rates under the TCJA are made permanent
Standard deduction	Increases under the TCJA expire at end of 2025	For tax years beginning after 2024, the standard deduction is increased to \$15,750 for a single filer, \$23,625 for a head of household, and \$31,500 for married individuals filing jointly; adjusted for inflation thereafter
Personal exemptions	Temporarily repealed through 2025	Permanently repealed
Temporary senior deduction	None	\$6,000 additional deduction, phased out beginning at \$75,000 for single filers and \$150,000 for joint returns (available 2025–2028) for taxpayers who attained age 65 before the close of the taxable year
State And Local Tax (SALT) deduction	Capped at \$10,000 through 2025	Capped at \$40,000 for households earning less than \$500,000; reverts to \$10,000 in 2030
Child tax credit	\$2,000 per child	Increased to \$2,200 per child, indexed for inflation annually
Qualified Tips Deduction	None	Individuals can deduct up to \$25,000 of qualified tips (2025–2028), phased out beginning at \$150,000 Modified Adjusted Gross Income (MAGI) (\$300,000 joint)
Qualified Overtime Pay Deduction	None	Deduct up to \$12,500 (\$25,000 joint) of qualified overtime pay (2025–2028), phased out above \$150,000 MAGI (\$300,000 joint)
Car loan interest deduction	None	Deduct up to \$10,000 in interest on post-2024 personal-use loans for U.S.-assembled new vehicles (2025–2028), phased out starting at \$100,000 MAGI (\$200,000 joint); applies to non-itemizers
Charitable Contributions	Above-the-line deduction of \$300 for non-itemizers (2020 only)	For tax years beginning in 2026, non-itemizers can deduct up to \$1,000 (\$2,000 joint) in cash contributions; subject to further clarification

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<b>Itemized deductions</b>	Overall limitation temporarily repealed through 2025	Overall limitation permanently repealed; replaced with new limitation formula
<b>Alternative Minimum Tax (AMT)</b>	AMT exemption amounts and phaseouts temporarily increased through 2025	AMT exemption amounts made permanent; phaseout threshold for joint filers reverts to \$1,000,000 in 2026
<b>Energy Efficient Home Improvement Credit</b>	30% credit for energy efficiency improvements	Credit is repealed for tax years after 2025 (subject to further Treasury guidance)
<b>Generation-Skipping transfer tax</b>	Exemption doubled to \$13.99M through 2025	Exemption increased to \$15M for gifts/transfers after 2025; indexed for inflation thereafter for estates of decedents dying and gifts made after 2025
<b>Estate tax</b>	Basic exclusion ~\$13.99M through 2025; reverts in 2026	Increased to \$15M for decedents dying after 2025; inflation-adjusted thereafter
<b>Graduate &amp; Professional Student Loans</b>	Unlimited Grad PLUS loans allowed	Lifetime borrowing capped: \$100K (graduate), \$200K (doctoral/professional); Grad PLUS loans eliminated
<b>Parent PLUS Loan Cap</b>	No federal cap	New cap of \$65,000 total borrowing per student
<b>Student Loan Repayment</b>	Income-driven repayment plans available	Replaced by two new plans: 10-year standard or 30-year Revised Affordable Plan (RAP); deferments and hardship relief eliminated for new borrowers
<b>Remittance Tax</b>	None	New 1% tax on international remittances from the U.S.
<b>Medicaid</b>	No federal work requirement; states set own rules	Federal mandate: 80 hours/month work requirement; imposes co-pays and tighter eligibility verification
<b>SNAP (Food Stamps)</b>	Federal guidelines with some state flexibility	Tightens work requirements; shifts costs to states; introduces penalties for high error rates
<b>Energy Policy</b>	Inflation Reduction Act provided credits for solar, EVs, upgrades	Repeals most green energy tax credits; promotes fossil fuel and rural energy expansion

**Note:** Some provisions are subject to Treasury regulations or IRS guidance for implementation. The law contains many more elements affecting business taxation, healthcare, agriculture, and telecommunications that are not summarized here.

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## Seek Professional Guidance

Many of the provisions of the One Big Beautiful Bill Act involve complex areas of federal and state law. To receive maximum benefit from this new legislation, the advice and guidance of trained, experienced tax, and legal professionals is highly recommended.