

# 2025 · THE ONE BIG BEAUTIFUL BILL ACT COMPARISON GUIDE



PRE-OBBA (TCJA + SUNSET)	
STANDARD DEDUCTION	
Single	\$15,000
MFJ	\$30,000

ITEMIZED DEDUCTIONS (SCHEDULE A)	
State & Local Taxes (SALT)	\$10,000
Mortgage Interest	Up to \$750,000 (home acquisition debt)
Charitable Donations	No AGI Floor
PEASE Limitations	Returning 1/1/2026

NEW BELOW-THE-LINE DEDUCTIONS (NON-ITEMIZED)	
N/A	

CREDITS & EXCLUSIONS FOR CHILDREN	
Child Tax Credit	\$2,000 <sup>3</sup>
Child Tax Credit (Refundable Portion)	\$1,700 (\$1,000 starting 2026)
Child & Dependent Care Credit	20–35% of Qualified Expenses <sup>3</sup>
Dependent Care FSA Contribution Limit	\$5,000
Adoption Tax Credit	\$17,280 <sup>3</sup>

PREMIUM TAX CREDIT <sup>4</sup>	
MAGI within 100–400% of FPL	Eligible <sup>3</sup>
MAGI above 400% of FPL	Eligible above 8.5% of MAGI <sup>3</sup>

POST-OBBA (CURRENT LAW) <sup>1</sup>	
STANDARD DEDUCTION	
Single	\$15,750
MFJ	\$31,500

ITEMIZED DEDUCTIONS (SCHEDULE A)	
State & Local Taxes (SALT)	\$40,000 <sup>3</sup>
Mortgage Interest	Up to \$750,000 (home acquisition debt) + PMI <sup>2,3</sup>
Charitable Donations	Subject to 0.5% AGI Floor <sup>2</sup>
Uniform 2% Limitation	Max deduction capped at 35% <sup>2</sup>

NEW BELOW-THE-LINE DEDUCTIONS (NON-ITEMIZED)		
	MFJ	SINGLE
Additional Charitable Deduction	\$2,000 <sup>2</sup>	\$1,000 <sup>2</sup>
Income From Overtime	\$25,000 <sup>3</sup>	\$12,500 <sup>3</sup>
Income From Tips	\$25,000 <sup>3</sup>	
Vehicle Loan Interest	\$10,000 <sup>3</sup>	
Senior Deduction (ages 65+)	\$6,000 (per eligible individual) <sup>3</sup>	

CREDITS & EXCLUSIONS FOR CHILDREN	
Child Tax Credit	\$2,200 (inflation-adjusted) <sup>3</sup>
Child Tax Credit (Refundable Portion)	\$1,700 (permanent)
Child & Dependent Care Credit	20–50% of Qualified Expenses <sup>2,3</sup>
Dependent Care FSA Contribution Limit	\$7,500 <sup>2</sup>
Adoption Tax Credit	\$17,280 (\$5,000 refundable and inflation-adjusted) <sup>3</sup>

PREMIUM TAX CREDIT <sup>4</sup>	
MAGI within 100–400% of FPL	Eligible <sup>3</sup>
MAGI above 400% of FPL	Not Eligible <sup>2</sup>

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PRE-OB BB (TCJA + SUNSET)	
IDR PLANS FOR FEDERAL STUDENT LOANS	
SAVE/REPAYE	Available
IBR	Available (PFH applies to loan)
PAYE/ICR	Available

ALTERNATIVE MINIMUM TAX (AMT)		
	MFJ	SINGLE
Exemption Amount	\$137,000	\$88,100
28% Tax Rate On Income Over	\$239,100	\$239,100
Exemption Phaseout Threshold	\$1,252,700	\$626,350
Exemption Phaseout Rate	25%	25%
Exemption Elimination	\$1,800,700	\$978,750

SECTION 199A QBI DEDUCTION		
	MFJ	SINGLE
Phaseout Range	\$100,000	\$50,000
Deduction (expiring 12/31/2025)	20% <sup>3</sup>	

SECTION 168 BONUS DEPRECIATION (BUSINESS OWNERS)	
Depreciation Amount	40% (purchases in 2025, expiring in 2027)

ESTATE & GIFT TAX LIFETIME EXEMPTION	\$13,990,000 (decreasing on 1/1/2026)
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POST-OB BB (CURRENT LAW) <sup>1</sup>	
IDR PLANS FOR FEDERAL STUDENT LOANS	
SAVE/REPAYE	Eliminated
IBR	Available (no PFH needed)
PAYE/ICR	Available (phased out by 7/1/2028)
RAP	Available (starting 7/1/2026) <sup>2</sup>

ALTERNATIVE MINIMUM TAX (AMT)		
	MFJ	SINGLE
Exemption Amount	\$137,000	\$88,100
28% Tax Rate On Income Over	\$239,100	\$239,100
Exemption Phaseout Threshold	\$1,000,000 <sup>2</sup>	\$500,000 <sup>2</sup>
Exemption Phaseout Rate	50% <sup>2</sup>	50% <sup>2</sup>
Exemption Elimination	\$1,274,000 <sup>2</sup>	\$676,200 <sup>2</sup>

SECTION 199A QBI DEDUCTION		
	MFJ	SINGLE
Phaseout Range	\$150,000 <sup>2</sup>	\$75,000 <sup>2</sup>
Deduction (permanent)	20% <sup>3</sup>	
Minimum Deduction Amount	\$400 <sup>2,3</sup>	

SECTION 168 BONUS DEPRECIATION (BUSINESS OWNERS)	
Depreciation Amount	100% (purchases after 1/19/2025, permanent)

ESTATE & GIFT TAX LIFETIME EXEMPTION	\$15,000,000 (permanent) <sup>2</sup>
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<sup>1</sup> Unless indicated by another footnote, all "Post-OB BB" changes (i.e., the right-hand column) are assumed to be effective in 2025.

<sup>2</sup> Effective starting in 2026.

<sup>3</sup> Subject to phaseout rules and/or other limitations.

<sup>4</sup> For many states, the MAGI range is 138–400% of the FPL (as opposed to 100–400%).



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Melanie Brophy, CFP®, EA | Financial Planning & Investment Management Services

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