

One Big Beautiful Bill (OB3B or OB3): What It May Mean for You, and When

2026 plus	TAX RATES	Locked in to the lower rates instituted in 2018
2026 plus	STANDARD DEDUCTION	Locked into the higher deductions instituted in 2018
2026 plus	PERSONAL EXEMPTION	No personal exemptions, as instituted in 2018
2025-2028	TIPS	Up to \$25,000 per year of qualified tips not taxable. Still subject to Social Security/Medicare, and State tax Tips must be identified on the W-2/1099 or equivalent Phases out for MAGI \$150,000 S/\$300,000 MFJ
2025-2028	OVERTIME	Up to \$12,500 S, \$25,000 MFJ of qualified overtime for premium part only Still subject to Social Security/Medicare, and State tax Overtime portion is identified on the W-2/1099 or equivalent Phases out for MAGI \$150,000 S/\$300,000 MFJ
2025-2028	SENIOR DEDUCTION	\$6,000 higher deduction per 65+ taxpayer Phases out for MAGI \$75,000 S/\$150,000 MFJ MFJ must file a joint return
2025-2028	CAR LOAN INTEREST	Interest up to \$10,000 on 'New Car' loans deductible Cars, Minivans, Trucks, Motorcycles Assembled in the US. Will need VIN # Phases out for MAGI \$100,000 S/\$200,000 MFJ
2025 plus	CHILD TAX CREDIT	Now the CTC is \$2,200 per child As at present, phases out at AGI \$200,000 S and \$400,000 MFJ
2026 plus	DEPENDENT CARE DEFERRAL	Increases from \$5,000 to \$7,500 per family, elected through employer Childcare for up to 13 year olds to allow parents to work Includes savings on Social security/Medicare
2026 plus	CHILD CARE CREDIT	Higher tax credits given to lower income households
2026 plus	ITEMIZED DEDUCTIONS	Investment fees, employee business expenses, etc NOT deductible, permanently. Exemption for teachers.
2025-2029	SALT - State & Local Tax	Maxed at \$40,000 instead of \$10,000 MAGI \$250,000 S/\$500,000 MFJ phase out to \$10,000
2025 plus	MORTGAGE INTEREST	Mortgage interest for up to \$750,000 mortgage is deductible
2026 plus	MORTGAGE INSURANCE	Mortgage Insurance Premiums are deductible 2026 on Phases out for MAGI \$50,000 S/\$100,000 MFJ
2026 plus	CHARITABLE GIVING	0.5% of AGI deducted from charitable donations if itemizing If not itemizing, can deduct money gifts up to \$1,000 S/\$2,000 MFJ
2026 plus	ITEMIZED DEDUCT. REDUCED	For high income taxpayers (AGI \$730,000 and over, MFJ)
2026 plus	529 PLANS	Can use up to \$20,000 per student for K-12 tuition Broader expenses and programs eligible, starting 7/4/2025
2025 plus	ADOPTION CREDIT	Up to \$5,000 of the adoption credit is refundable

2026 plus	ESTATE & GIFT TAX	The first \$15 million not taxed
2026 plus	CASUALTY LOSSES	Deductible if a presidentially OR state-declared disaster
9/30/25 plus	CLEAN VEHICLE CREDIT	No credit after September 30, 2025
2026 plus	ENERGY CREDITS	All residential energy credits stop after December 31, 2025
2026 plus	GAMBLING LOSSES LIMITED	Only 90% of Gambling Losses may be deducted Still limited to gambling winnings
2026 plus	EDUCATOR EXPENSES	Teachers can each deduct up to \$300 from taxable income If expenses exceed \$300, remainder taken on Sch. A (itemized)
2026 plus	STUDENT LOANS	Educational assistance up to \$5,250 not taxable to employee Repayment structures of old and new loans are limited Loan maximums are now limited starting July 1, 2026
2027 plus	SCHOLARSHIPS	Various tax credits/deductions are available when donations are made to eligible state-certified scholarship programs or received by eligible students.
2026 plus	PREMIUM CREDITS	Enhanced credits authorized 3/2021 and 8/2022 are gone It will be harder to qualify for premiums credits starting 2026
2026 plus	HEALTH SAVINGS ACCOUNTS for MARKETPLACE PLANS	Can now have an HSA for marketplace plans with high deductibles
2028 plus	HEATHCARE MARKETPLACE	Eligibility verifications are more frequent
2026 plus	1099-MISC & 1099-NEC	For 2025, reporting threshold is \$600 For 2026, reporting threshold is \$2,000
2025 plus	1099-K	No need to send a 1099-K unless recipient has a total of \$20,000 in transactions and over 200 transactions
2027 plus	QBI Deduction	Continues the 20% of business deduction from federal tax
2026 plus	AMT	Alternative Minimum Tax thresholds drop in 2026, making higher income taxpayers more susceptible to the AMT
July 2026 plus	TRUMP ACCOUNTS	Kids up to 18 years old. Max contribution per year \$5,000 Limits on what to invest in. No withdrawal allowed till 18 \$1,000 contribution from US gov for kids born 2025-2028, use Form 4547 Earnings taxed when \$ withdrawn if not used for education, first home etc.

AGI	Adjusted Gross Income
MAGI	Modified AGI
S	Single
MFJ	Married Filing Joint

Compiled by Nitsa Benson, 12/8/25