

## OBBB Individual Taxpayer Changes for 2025

### Made Permanent

- **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)

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

### Below-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.

### 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**

- **SALT Deduction:** Increased to \$40,000 for 2025.
- **Educator Expenses:** Still an above-the-line deduction capped at \$300.
- **Estate & Gift Tax Exemption for 2025:**
  - \$13.99M (Single)
  - \$27.98M (MFJ)
- **1099-K Reporting:** New threshold of \$20,000 and 200 transactions.
- **Trump Accounts:** \$1,000 credit for children born in 2025–2028 (accounts open after July 4, 2026).

### **Business Provisions**

- **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.
- **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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