



ONE BIG BEAUTIFUL BILL

September 2025

In July, the One Big Beautiful Bill became law. It includes hundreds of provisions that impact personal finances. Here are a few highlights:

- **Current income brackets stay the same** with a **higher standard deduction** in 2025.
- An **additional deduction for seniors** 65 years and older from 2025 to 2028 with certain phase-out income limits.
- A **0% capital gains bracket** for individuals within certain income limits. Those who qualify may be able sell some assets tax-free and, if desired, buy the assets back with a new basis.
- **No tax on tips and overtime pay** for people in IRS-qualified occupations. Eligible workers may be able to deduct up to \$25,000 a year with certain phase-out income limits. Check the IRS website for a list of qualified professions.
- **Expanded qualified expenses for 529 plans.** In addition to tuition, 529 funds can be used tax-free for more K-12 expenses including curriculum, books, online content, and exam fees. Various state tax laws may impose certain restrictions.
- The **state and local tax (SALT) deduction cap increases** for most filers with certain income limits.
- **Interest deduction on new car loans** taken after December 31, 2024 for vehicles assembled in the U.S. Buyers may be eligible to deduct up to \$10,000 a year with certain phase-out income limits.
- The **estate tax exemption increases**, but the new rules include a faster phaseout. As an estate grows, the exemption amount shrinks more quickly so more households may be subject to the Alternative Minimum Tax.

What's the takeaway?

- There's a lot to unpack in the Bill. You don't want to miss the opportunity to take advantage of new benefits. You may also need to adjust your tax planning strategy for 2025 and 2026.
- You don't have to go it alone. Contact Client Services to **schedule a call with one of our financial planners**. They can guide you on which provisions might apply to your situation, and help you prepare questions for your tax adviser.
- Make the most of your active investment management. **Your investment portfolio is tailored to your needs and objectives; we can adjust the strategy as needed to adapt to changes in your financial – or tax – situation.** Contact Client Services to schedule a call for a portfolio review or to discuss changes that may impact your investment strategy.