

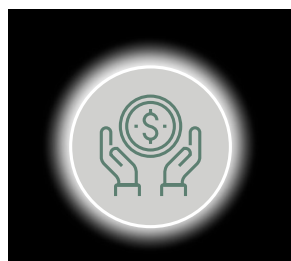


# One Big Beautiful Bill Act Key Impacts at a Glance

Signed into law on July 4, 2025, the One Big Beautiful Bill Act (OBBA Act) brings significant reforms to the tax system, savings plans, and government benefit programs.

These new rules open the door for smarter saving, better planning, and more intentional decisions around what bring you JOY. These changes a rare opportunity to re-imagine your financial future.

Whether you're preparing for retirement, building savings for your family, or managing a business, here's what you need to know.



## Key Takeaways for Individuals

### Personal Tax Rates Made Permanent

The lower tax rates introduced in 2017 (ranging from 10% to 37%) are now permanent. This gives families and individuals long-term clarity for financial planning.

### Larger Standard Deduction

**Starting in 2025, the standard deduction permanently increases to:**

- \$31,500 for married couples filing jointly
- \$23,625 for heads of household
- \$15,750 for single filers

Seniors 65+ can claim an additional \$6,000 per person, helping many avoid paying federal tax on Social Security benefits.

This additional deduction phases out at 6% for individual filers over \$75,000 income or joint filers over \$150,000, fully phasing out at \$175,000/\$250,000 respectively.

### State and Local Tax (SALT) Deduction Increase

The cap on SALT deductions rises to \$40,000 (from \$10,000) for single filers and joint filers making under \$500,000. This benefit will last until 2030, especially helping residents in high-tax states.



## Key Takeaways for Individuals

### Expanded Child Tax Credit

The credit increases from \$2,000 to \$2,200 per child and will rise with inflation in future years. Income limits still apply; it begins to phase out at \$200,000 for single filers and \$400,000 for joint filers.

### Permanent Charitable Giving Incentives

Starting in 2026, non-itemizers can deduct up to \$1,000 (single) or \$2,000 (joint) for charitable donations. Itemizers will now only deduct the amount that exceeds 0.5% of their income.

### Temporary Deductions for Workers

From now through 2028:

- Workers earning under \$150,000 may deduct up to \$25,000 in tips.
- They can also deduct overtime pay (up to \$12,500 for individuals or \$25,000 for couples).

### New "Trump Accounts" for Kids

- Children born from 2025–2028 are eligible for special savings accounts:
- \$1,000 deposited at birth by the federal government
- Parents and others can contribute up to \$5,000/year
- Funds can be used for college tuition/credentialing, small business expenditures, first-time home purchases
- Withdrawals are taxed favorably if used for qualified expenses
- Contributions stop at age 18; accounts close (and become taxable) by age 31

### Auto Loan Interest Deduction

You can deduct interest on car loans (up to \$10,000/year) for U.S.-assembled vehicles through 2028. This benefit phases out for higher-income households.

### Permanent Increase to the Lifetime Gift & Estate Tax Exclusion

The lower tax rates introduced in 2017 (ranging from 10% to 37%) are now permanent. This gives families and individuals long-term clarity for financial planning. Beginning in 2026, individuals can transfer up to \$15 million (or \$30 million per couple) without paying federal estate or gift tax.



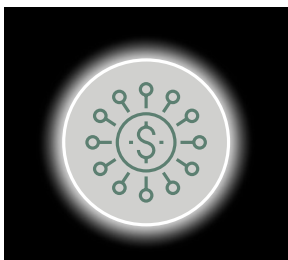
## Key Takeaways for Business Owners

### Tax Breaks for Small Businesses

- The 20% deduction on qualified business income is now permanent.
- More generous rules apply to calculate how much income qualifies.

### Major Tax Savings on Investments and Equipment

- Research & Development Costs: Made permanent, businesses can once again fully deduct R&D costs in the year they are incurred (rather than spreading them over five years or 15 years for foreign research) starting in 2026.
- Bonus Depreciation: Extends the “bonus” depreciation provision that allows taxpayers to immediately expense 100% of the cost of qualified property (including most equipment and machinery) acquired after January 19, 2025, and placed in service before January 1, 2030.
- Interest Expense Deductions: Businesses are permanently allowed to include depreciation and amortization when calculating their interest expense limitation under Section 163(j). More favorable rules help capital-heavy industries (e.g., manufacturing, real estate).



## Changes to Government Programs and Credits

### End of Clean Energy Credits

Several energy-related federal tax credits will end:

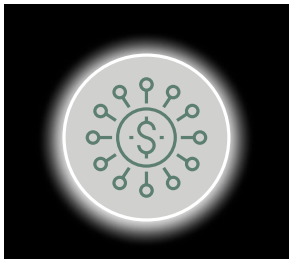
- Electric vehicle credits end after Sept. 30, 2025
- Credits for solar panels and energy-efficient home improvements end after December 31, 2025
- Home EV charger credits end after June 30, 2026

### Medicaid Cuts

Significant changes to Medicaid may reduce access for some Americans:

- New work and eligibility verification rules
- Some enrollees could face co-pays up to \$35 per visit, capped at 5% of family income
- Certain clinics (such as Planned Parenthood) may lose funding
- CBO estimates at least 10.5 million people may lose coverage by 2034

continued



## Changes to Government Programs and Credits

### SNAP (Food Assistance) Changes

Work requirements are now stricter:

- Parents with children over age 6 must work 20 hours/week
- Adults aged 55–64 also must meet work requirements
- Exemptions for veterans, foster youth, and others have been rolled back

### Tax on Money Transfers Abroad

A new 1% tax applies to money sent from the U.S. to another country (and vice versa) after December 31, 2025.

### College Endowment Tax Increase

Colleges with more than 3,000 tuition-paying students with large endowments now face higher taxes on their investment earnings. There is now a multi-tiered rate structure based on "student-adjusted endowment" starting at 1.4% for endowments between \$500,000-\$750,000 per student, escalating up to 8% for wealthiest colleges (endowments over \$2,000,000 per student).

## Your Money, Your Plan, Your JOY

Legislation can be confusing, even overwhelming. When it's over 800 pages long and reaches into nearly every aspect of your financial life, it's not just policy, it's personal.

That's why we are here.

At Mitlin, we know this isn't just about taxes or numbers on a page; it's about your family, your future, and your JOY. The new "One Big Beautiful Bill Act" is sweeping in scope, with changes that affect everything from your paycheck and retirement savings to your healthcare costs and your child's college plan.

Some of these changes bring opportunity. Others demand attention. They deserve a thoughtful response.

The Mitlin team is ready to help you make sense of what's at stake and what steps make the most sense for your unique situation. We will walk you through how these legislative changes could shape your 2025 and beyond, providing customized projections and straightforward, side-by-side comparisons that reveal the real impact on your family.

Together, we'll craft a strategy that reflects your values, supports your goals, and helps you pursue your ideal version of tomorrow.

Whether it's updating your tax plan, exploring new savings strategies, or simply making sure you're not leaving money on the table, we can help you design a financial life to reflect your version of **JOY**.

**Let's Turn Uncertainty into Understanding  
and Understanding into Action**

### **Bringing JOY to Your Money Journey®**

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