



Key Tax Provisions Compared — Current Law vs. One Big Beautiful Bill Act





Below is a chart comparing key tax provisions under current law with proposed changes included in [H.R. 1, One Big Beautiful Bill Act](#), which was passed by the House on May 22, 2025.

Individual key provisions		
Tax provision	Current law (2025)	House bill proposed change (2025)
Individual income tax rates	Tax Cuts and Jobs Act (TCJA) rates (lowered rates) expire after 2025; rates revert to pre-TCJA levels	Makes TCJA rates permanent; inflation adjustment continues
Standard deduction	Increased standard deduction (TCJA) expires after 2025; reverts to lower pre-TCJA levels	Permanently increases the standard deduction and adds a temporary enhancement for 2025-2028: \$2,000 for joint filers, \$1,500 for heads of household and \$1,000 for all others.
Personal exemptions	Suspended for 2018–2025; allowed in 2026	Permanently terminates deduction for personal exemptions
Child Tax Credit	\$2,000 per child (TCJA), reverts to \$1,000 after 2025	\$2,500 per child for 2025–2028, \$2,000 thereafter; inflation adjustments
Qualified Business Income Deduction (Sec. 199A)	20% deduction for passthrough income, expires after 2025	Makes deduction permanent; increases deduction to 23%; modifies phase-in rules for specified service businesses
Estate and gift tax exemption	\$13.61 million (2024, inflation-adjusted); reverts to ~\$5 million (indexed) after 2025	Increases exemption to \$15 million (indexed from 2026); makes higher exemption permanent
Alternative Minimum Tax (AMT) exemption	Higher exemption and phase-out thresholds (TCJA) expire after 2025	Makes higher exemption and phase-out thresholds permanent

Individual key provisions (cont.)

Tax provision	Current law (2025)	House bill proposed change (2025)
Mortgage interest deduction	\$750,000 acquisition indebtedness limit (TCJA) expires after 2025	Makes \$750,000 limit permanent
Casualty loss deduction	Limited to federally declared disasters (TCJA) through 2025	Makes limitation permanent
Miscellaneous itemized deductions	Suspended 2018–2025 (TCJA); returns in 2026	Permanently terminates deduction
Pease Limitation (itemized deductions phaseouts)	Reinstated after 2025	Replaces with new limitation: reduces itemized deductions by 2/37 of the lesser of itemized deductions or taxable income over the 37% bracket threshold
Moving expenses deduction	Suspended 2018–2025 (TCJA) (except for Armed Forces); returns in 2026	Permanently terminates deduction (except for Armed Forces)
Wagering losses	Limited to itemized deduction based on the amount of winnings through 2025	Makes limitation permanent
Charitable deduction for non-itemizers	Not available after 2021	Reinstates partial deduction: \$150 (\$300 joint) for 2025–2028
No tax on tips	Tips are taxable income	Allows deduction for qualified tips received in certain occupations (as defined by Treasury); deduction ends after 2028; SSN required
No tax on overtime	Overtime pay is taxable income	Allows deduction for qualified overtime compensation (excludes highly compensated employees and tips); deduction ends after 2028; SSN required

Individual key provisions (cont.)

Tax provision	Current law (2025)	House bill proposed change (2025)
Enhanced deduction for seniors	Additional standard deduction for age 65+	Adds \$4,000 bonus deduction for seniors (2025–2028), phased out at higher incomes
No tax on car loan interest	Personal interest on car loans not deductible	Allows deduction for up to \$10,000 of interest on new car loans (2025–2028), must be US - assembled passenger vehicles
Adoption credit	Nonrefundable	Makes \$5,000 of the credit refundable; inflation adjusted
529 plan qualified expenses	Limited to higher education and \$10,000 K-12 tuition	Expands to include more K-12 and homeschool expenses, and postsecondary credentialing expenses
State and local tax (SALT) cap	\$10,000 cap	\$40,000 cap, with phaseout for income at \$500,000
Excess business loss limitation	Expires after 2028	Made permanent; losses disallowed are carried forward as NOLs
Penalties for unauthorized disclosure	\$5,000 fine, up to 5 years prison	Increases to \$250,000 fine, up to 10 years prison
Direct File Program	IRS Direct File pilot in place	Terminates Direct File program; creates task force for public-private free file partnership

Business key provisions

Tax provision	Current law (2025)	House bill proposed change (2025)
Employer-Provided Childcare Credit	25% of qualified expenses, up to \$150,000	Increases to 40% (50% for small businesses); max credit \$500,000 (\$600,000 for small businesses); inflation adjusted
Paid Family and Medical Leave Credit	Temporary, expires after 2025	Extends and enhances credit; allows for insurance premiums; modifies aggregation and eligibility rules
Research and experimental (R&D) expensing	Amortization over 5 years for domestic R&D (TCJA change)	Allows full expensing of domestic R&D from January 1, 2025, through 2029; amortization resumes in 2030
Bonus depreciation	80% in 2023, phases down to 0% by 2027	Restores 100% bonus depreciation for property placed in service from January 19, 2025 through 2029
Business interest limitation (Sec. 163j)	Based on EBIT through 2021, then EBITDA	Returns to EBIT calculation for 2025–2029
FDII and GILTI deductions	37.5% (FDII) and 50% (GILTI) deductions	Reduces to 36.5% (FDII) and 49.2% (GILTI)
Charitable deduction for corporations	10% of taxable income	Adds 1% floor: only contributions above 1% of taxable income are deductible, up to 10% limit
Fringe benefits and unrelated business taxable income (UBTI) for not-for-profit entities	Certain fringe benefits not deductible	Increases unrelated business taxable income by amount of disallowed fringe benefits

Energy credit key provisions

Tax provision	Current law (2025)	House bill proposed change (2025)
Sec. 25C, Energy Efficient Home Improvement Credit	30% of qualified costs, \$1,200 annual limit, expires 2032	Terminates for property placed in service after Dec. 31, 2025
Sec. 25D, Residential Clean Energy Credit	30% of qualified costs, phases down after 2032, expires 2034	Terminates for property placed in service after Dec. 31, 2025
Sec. 25E, Previously-Owned Clean Vehicle Credit	Up to \$4,000, expires 2032	Terminates for vehicles acquired after Dec. 31, 2025
Sec. 30C, Alternative Fuel Refueling Property Credit	30% of cost, up to \$100,000, expires 2032	Terminates for property placed in service after Dec. 31, 2025
Sec. 30D, Clean Vehicle Credit	Up to \$7,500 per new clean vehicle, expires 2032	Terminates for vehicles placed in service after Dec. 31, 2025; special rule for 2026 for manufacturers under 200,000 vehicles
Sec. 45L, New Energy Efficient Home Credit	Up to \$5,000 per home, expires 2032	Terminates for homes acquired after Dec. 31, 2025 (Dec. 31, 2026 if construction began before May 12, 2025)
Sec. 45W, Commercial Clean Vehicle Credit	Up to \$40,000, expires 2032	Terminates for vehicles acquired after Dec. 31, 2025; exception for binding contracts before May 12, 2025
Sec. 45Y, Clean Electricity Production Credit	No expiration, based on beginning of construction	Phases out for facilities placed in service after 2028 (80% in 2029, 60% in 2030, 40% in 2031, 0% after 2031); transferability repealed for facilities beginning construction 2 years after enactment; new restrictions for foreign entities
Sec. 48E, Clean Electricity Investment Credit	No expiration, based on beginning of construction	Same phaseout as Sec. 45Y; transferability repealed; new foreign entity restrictions

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