

Here's a clear, presentation-friendly snapshot of the **major U.S. tax law changes** under the **One Big Beautiful Bill Act (OBBA)**, signed into law on **July 4, 2025**:

Key Tax Law Changes

1. TCJA Provisions Made Permanent

- The seven federal tax brackets (10%, 12%, 22%, 24%, 32%, 35%, 37%) are now permanent for 2025 and beyond.
- The increased standard deduction (almost doubled under the 2017 Tax Cuts and Jobs Act) and other TCJA features are now made permanent.

2. Child Tax Credit Increase

- The Child Tax Credit rises to **\$2,200 per qualifying child**, adjusted for inflation annually.

3. SALT Deduction Cap Increased

- The cap for state and local tax (SALT) deductions jumps from **\$10,000 to \$40,000**, with phase-outs for incomes above \$500,000.

4. New Deductions: Tips & Overtime

Allowed **2025–2028**, with employer W-2 reporting:

- **No tax on tips**: up to **\$25,000 deduction** per taxpayer, phased out at higher incomes.
- **No tax on overtime**: up to **\$12,500 deduction** (single), or **\$25,000 (joint)**, with income phase-outs.

5. Senior Bonus Deduction

- Taxpayers **65 and older** get an **extra \$6,000 deduction** (per individual; \$12,000 for couples), from **2025–2028**, phased out at higher incomes.

6. Additional Major Changes

- **Estate & Gift Tax Exemptions Raised:** \$15 million for individuals; \$30 million for couples (effective 2026).
- **New Deductions & Provisions:** Includes auto loan interest, charitable giving for non-itemizers (up to \$1,000 individual / \$2,000 couple), and limits on green energy credits expiring earlier than before.
- **Updates for Tax-Exempt Organizations:** Increased excise tax on high executive compensation; new tax on investment income for private colleges.
- **International & Other Provisions:** Excise tax on remittance transfers; redefined GILTI/FDII definitions and rates; clean energy incentives terminate sooner.

Quick Slide Summary Table

Category	Change Highlight
Tax Brackets	2017 rates (10–37%) now permanent
Standard Deduction	Permanently higher per TCJA
Child Tax Credit	Increased to \$2,200, inflation-adjusted
SALT Deduction	Cap raised to \$40,000 (with phase-out)
Tips Deduction	Up to \$25,000, 2025–2028
Overtime Deduction	Up to \$12,500 (single), \$25,000 (joint), 2025–2028
Senior Deduction	Extra \$6,000 per senior (2025–2028)
Estate/Gift Tax	Exemptions increased to \$15M / \$30M
Other Add-ons	Auto loans, non-itemizer charity, energy credits cut
Nonprofits	Higher excise on exec pay, tax on college investment income