

Financial, Legal & Tax Advisory

Published by The Center for Financial, Legal & Tax Planning, P.C.



Roman A. Basi, President of The Center, is an Attorney, CPA, Real Estate Broker, and Title Insurance Agent. Roman speaks and advises The Center's clientele on such matters as Business Law, Succession, Estate & Tax Planning, and Real Estate.



Dr. Bart A. Basi, Senior Advisor of the Center for Financial, Legal & Tax Planning, P.C., is an expert on closely-held companies, an attorney, and CPA. He is a member of the American Bar Association's Tax Committee on Closely-Held Businesses and Business Planning.

One Big Beautiful Bill: Individual Tax Impacts

On July 4, 2025, President Trump signed the newest bill, H.R. 1, also known as the "One Big Beautiful Bill" (OBBB). The bill addresses several aspects of taxation that will affect both individuals and businesses. This publication will focus on the key tax changes for individuals and will offer some early insight into how these changes may influence personal tax planning.

The OBBB makes the individual income tax rates from the 2017 Tax Cuts and Jobs Act (TCJA) permanent, making 37% the cap. Along with this, there is an additional year of inflation adjustment added to the 12% and 22% bracket thresholds. Another tax aspect made permanent is the nearly doubled standard deduction. Each year, the amounts will be adjusted for inflation. Effective for tax year 2025, the rates are as follows:

- Single/Married Filing Separately: \$15,570
- Head of Household: \$23,625
- Married Filing Jointly: \$31,500

Looking at the child tax credit, the non-refundable child tax credit is permanently increasing to \$2,200 per child beginning in tax year 2025. The refundable tax credit is made permanent and sits at \$1,400, as well as the \$500 non-refundable credit for other dependents. These figures are to be adjusted annually for inflation. For those who are looking into estate planning, this bill delivers some great news. Starting in 2026, the estate and gift tax exemption will increase to \$15 million per individual, which equates to \$30 million for married couples, adjusted for inflation annually.

The State and Local Tax (SALT) deduction cap rises to \$40,000 per household for 2025, and will remain at that cap until 2030, when it will revert to \$10,000 per household. Phaseouts will begin for those who reach \$500,000 modified adjusted gross income (MAGI). A deduction on certain qualified tip income of up to \$25,000 is now available, as well as a deduction for certain qualified overtime compensation up to \$12,500 (\$25,000 if filing jointly) for tax years 2025-2028. For both deductions, there is an income cap that reduces the amount allowable as a deduction (but not below zero) by \$100 for each \$1,000 by which the taxpayer's MAGI exceeds \$150,000 (\$300,000 in the case of a joint return). The taxpayer must have a valid Social Security Number to claim these deductions.

For tax years 2025-2028, individuals can deduct up to \$10,000 per year in interest paid on a qualifying car loan — even if they don't itemize deductions. The full deduction is allowable up to \$100,000 MAGI (\$200,000 for MFJ). The phase-out is \$200 for every \$1,000 over the above MAGI cap. Those who have \$150,000 MAGI (\$300,000 for MFJ) or over will be completely phased out.

While the OBBB has several updates, extensions, and changes, the above are great examples of ones that can affect individual income taxpayers along with their tax planning endeavors. If you have any questions regarding the information above, or are interested in talking to a tax professional to help you reach your goals, contact the professionals at The Center at (618) 997-3436 or visit our website at taxplanning.com for more information.

Basi, Basi & Associates at The Center for Financial, Legal, & Tax Planning, P.C.

Mergers & Acquisitions | Retirement and Estate Planning | Business Valuation | Tax Aspects of Business Decision
Accounting Service | Business Succession Planning | Strategic Planning and Negotiation for Buying or Selling a Business
4501 W DeYoung St., Suite 200 | Marion, IL 62959 Phone: (618) 997-3436 | Fax: (618) 997-8370 | www.taxplanning.com

**BASI, BASI & ASSOCIATES AT THE CENTER FOR
FINANCIAL, LEGAL & TAX PLANNING, P.C.**

TO VIEW OUR WEBSITE

SCAN ME!



INFO@TAXPLANNING.COM



CHECK OUR WEBSITE ONLINE, OPEN YOUR
PHONE CAMERA AND SCAN THIS QR CODE



4501 W DEYOUNG ST.,
SUITE 200 | MARION, IL
62959



618-997-3436



WWW.TAXPLANNING.COM



WWW.FACEBOOK.COM/TAXPLANNINGATTHECENTER



WWW.LINKEDIN.COM/COMPANY/BASIBASIASSOCIATES/



TWITTER.COM/_TAXPLANNING



WWW.INSTAGRAM.COM/BASIBASIANDASSOCIATES/
