

One Big Beautiful Bill: 9 Key Financial Benefits

Recent changes in tax law could help you keep more of what you’ve earned—and create new ways to plan for retirement, healthcare, and family needs. This piece highlights key aspects of the One Big Beautiful Bill; for the complete legislative language, please refer to the official version of H.R. 1 at congress.gov.

	What’s New	What Should Clients Know	Conversations to Consider
<p>1 Additional \$6,000 Senior Deduction^{1,2}</p>	<ul style="list-style-type: none"> Starting in 2025, taxpayers age 65+ can claim an additional \$6,000 deduction (\$12,000 for joint filers) Available through 2028 and stacks with the standard deductions: \$15,750 (single); \$31,500 (joint) in 2025 	<ul style="list-style-type: none"> Begins phasing out at 6% of MAGI over \$75,000 (single) / \$150,000 (joint) Fully phased out at \$175,000 (single) / \$250,000 (joint) May reduce taxes on Social Security benefits and create meaningful tax savings 	<ul style="list-style-type: none"> Explore ways to invest tax savings toward future goals, e.g., 529 plans, life insurance, or mutual funds and ETFs
<p>2 Permanent Extension of TCJA Tax Brackets^{1,2}</p>	<ul style="list-style-type: none"> Lower income tax rates and wider brackets from the 2017 TCJA are made permanent 	<ul style="list-style-type: none"> The 22% bracket now extends up to \$103,350 (single) / \$206,700 (joint) Creates more room for tax-efficient strategies like Roth conversions and IRA withdrawals 	<ul style="list-style-type: none"> Evaluate multi-year tax planning Consider how bracket management affects Medicare premiums and overall tax liability
<p>3 Estate & Gift Tax Exemption Raised to \$15M¹</p>	<ul style="list-style-type: none"> Starting in 2026, the federal estate and gift tax exemption is available up to \$15 million (indexed for inflation) 	<ul style="list-style-type: none"> Allows more tax-free wealth transfer for high-net-worth individuals 	<ul style="list-style-type: none"> Review gifting strategies, trusts, and estate plans Consider involving an estate attorney
<p>4 SALT Deduction Cap Temporarily Increased¹</p>	<ul style="list-style-type: none"> SALT deduction available up to \$40,000 (or \$20,000 if married filing separately) starting in 2025 Increases 1% annually through 2029, then reverts to \$10K in 2030 Income-based phaseouts apply 	<ul style="list-style-type: none"> Once MAGI exceeds the threshold (e.g., \$500,000 for joint filers in 2025), the SALT deduction is reduced by 30% of the excess income until it reaches the minimum cap of \$10,000 (\$5,000 for married filing separately) Clients in high-tax states may benefit if they itemize 	<ul style="list-style-type: none"> Review itemization strategies Coordinate with tax professionals to evaluate deduction opportunities

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<p>5</p> <p>Medicare Spending Reductions & Medicaid Eligibility Tightening¹</p>	<ul style="list-style-type: none"> ■ \$500 billion in Medicare cuts through 2034 ■ Stricter Medicaid eligibility rules introduced 	<ul style="list-style-type: none"> ■ Cuts mostly affect provider payments, not core benefits ■ Clients may see fewer extras in Medicare Advantage plans and higher out-of-pocket costs 	<ul style="list-style-type: none"> ■ Encourage annual plan reviews ■ Discuss long-term care planning and coverage options
<p>6</p> <p>Auto Loan Interest Deductions¹</p>	<ul style="list-style-type: none"> ■ Deduct up to \$10,000 in interest on loans for new, US-assembled personal-use vehicles 	<ul style="list-style-type: none"> ■ Deduction begins phasing out above \$100K MAGI (single) / \$200K (joint) ■ Fully phased out at \$125K (single) / \$250K (joint) ■ Also applies to ATVs, motorcycles, and RVs 	<ul style="list-style-type: none"> ■ Confirm vehicle eligibility using the NHTSA VIN Decoder ■ Discuss timing of purchases and financing strategies
<p>7</p> <p>Trump Accounts¹</p>	<ul style="list-style-type: none"> ■ New tax-advantaged accounts for children under 18 ■ \$1,000 government contribution for children born between 2025–2028 ■ Parents can contribute up to \$5,000 annually starting 7/4/26 when accounts are expected to become available 	<ul style="list-style-type: none"> ■ Funds grow tax-deferred and generally follow IRA rules after age 18 ■ Investment options limited to index-tracking mutual funds or ETFs 	<ul style="list-style-type: none"> ■ Compare Trump accounts to 529 plans ■ Explore long-term savings strategies for children and grandchildren
<p>8</p> <p>Tax Deduction on Overtime and Tips¹</p>	<ul style="list-style-type: none"> ■ Above-the-line deduction on qualified tips and overtime pay (up to \$25,000) ■ Available from 2025–2028 	<ul style="list-style-type: none"> ■ Deduction begins phasing out at \$150K AGI (single) / \$300K (joint) ■ Tips still count for payroll taxes 	<ul style="list-style-type: none"> ■ Help clients or their family members track and report eligible earnings ■ Coordinate with tax professionals to claim the deduction properly
<p>9</p> <p>Expanded Flexibility for 529 College Savings Plans¹</p>	<ul style="list-style-type: none"> ■ Starting in 2026 K–12 annual expense limit available up to \$20,000 per student ■ 529 funds can now be used for job training programs and recognized credentials ■ Permanent rollover option to ABLÉ accounts 	<ul style="list-style-type: none"> ■ New eligible expenses include tutoring, test fees, and dual enrollment ■ Nontraditional career paths now qualify for 529 usage 	<ul style="list-style-type: none"> ■ Review education savings goals ■ Discuss 529 plan flexibility for children, grandchildren, or even the client themselves

¹ H.R.1 - One Big Beautiful Bill Act, congress.gov, 7/4/25.

² One, Big, Beautiful Bill provisions, IRS, 2025

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