



Review: One Big Beautiful Bill Act Public Law 119-21

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On the heels of Congress passing one of the largest pieces of legislation in history, we'd like to point out some of the more impactful parts, and lack thereof, to our clients. Undoubtedly, many stories will arise that hyperbolize the impact this bill will have. Our goal is to provide you with a summary of the changes that could impact your financial plan.



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One Big Beautiful Bill: 7 Transformative Changes That Can Impact Your Financial Plan



The “One Big Beautiful Bill Act” passed on July 4, 2025, introduces groundbreaking tax provisions that reshapes financial planning for individuals and families. These changes mark significant departures from the pre-2025 tax landscape, offering new opportunities and challenges. Below, we’ve highlighted 7 key changes, with a focus on how they differ from prior rules and their implications for your financial strategy.

1 New Senior Deduction for Age 65+

Pre-Bill: No additional deductions existed for seniors beyond the standard and itemized deductions.

Now: Beginning in 2025, individuals aged 65 and older can claim an extra \$6,000 deduction per qualifying individual, phasing out at higher income levels and expiring in 2028. The phaseout ranges are \$75,000-\$175,000 for single filers and \$150,000-\$250,000 for those married filing jointly.

Impact: This is a brand-new benefit, providing tax relief for retirees. Unlike the prior standard deduction increase for seniors (e.g. \$1,500 extra for Married Filing Jointly in 2024), this deduction is more substantial but temporary, requiring strategic planning to maximize before it sunsets in 2028.

2 Charitable Deduction for Non-Itemizers

Pre-Bill: Non-itemizers could not deduct charitable contributions, as the temporary above-the-line deduction (up to \$600 for joint filers) expired after 2021.

Now: Starting in 2026, non-itemizers can deduct up to \$2,000 for cash charitable contributions (for married couples; \$1,000 for others), with contributions needing to exceed 0.5% of adjusted gross income (AGI) to qualify.

Impact: This reintroduces a tax break for non-itemizers, encouraging charitable giving among middle-income taxpayers who don’t itemize, unlike the prior tax code’s limitation to itemizers only.



3 Introduction of Trump Accounts

Pre-Bill: No such accounts existed; child-focused savings were limited to options like 529 plans or custodial accounts with stricter rules.

Now: “Trump Accounts” are new child-focused savings accounts for dependents under 18, modeled on IRA rules with strict contribution and investment limits. They include employer contributions and a Treasury pilot program seeding \$1,000 for children born between 2025 and 2028. Parents, relatives, or employers can contribute up to \$5,000 (indexed for inflation beginning in 2027). Employer contributions are capped at \$2,500 and not considered taxable income.

Impact: This is an entirely new vehicle, offering families a tax-advantaged way to save for children’s future expenses, distinct from 529 plans, with unique flexibility but rigid contribution caps. Account-opening capabilities will become available in early-mid 2026.

4 Refundable Adoption Credit

Pre-Bill: The adoption credit was nonrefundable, limiting benefits for those with low or no tax liability.

Now: Starting in 2025, up to \$5,000 of the adoption credit is refundable, making it accessible even to those with minimal tax obligations.

Impact: The refundable portion is a significant shift, enabling lower-income families to benefit from adoption-related expenses, unlike the prior nonrefundable credit that often went unused by those without sufficient tax liability.

5 Expanded 529 Plan Benefit

Pre-Bill: 529 plans were primarily for higher education, with limited K-12 expense coverage (up to \$10,000 annually) and a Secure Act 2.0 provision allowing rollovers to Roth IRAs (up to \$35,000 lifetime, with restrictions).

Now: The bill doubles the annual K-12 expense limit to \$20,000 and retains the Roth IRA rollover option.

Impact: The doubled K-12 limit significantly broadens 529 plan utility for private school costs, offering more flexibility than before, while the Roth rollover remains a unique bridge to retirement savings, unchanged from Secure Act 2.0.



6 Increased SALT Deduction Cap

Pre-Bill: The state and local tax (SALT) deduction was capped at \$10,000 (\$5,000 for Non-Joint Filers) since the 2017 Tax Cuts and Jobs Act.

Now: The cap is now \$40,000 (\$20,000 for Non-Joint Filers), with income phaseout ranges of \$500,000-\$600,000 (\$250,000-\$300,000 for Non-Joint Filers).

Impact: The quadrupling of the SALT cap provides substantial relief for high earners in high-tax states, a stark contrast to the restrictive \$10,000 limit, though phaseouts limit benefits for the higher earners.

7 Medicaid Changes

Pre-Bill: Medicaid had no new work or residency requirements, and funding levels were stable.

Now: Retroactive coverage is reduced to one month, and provider taxes/State Directed Payments are capped, reducing federal funding; Planned Parenthood funding is restricted, and new Home & Community Based Services waivers are introduced.

Impact: The Medicaid changes aim to lower federal spending and promote workforce participation, potentially reducing program costs while encouraging self-reliance. The Congressional Budget Office estimates up to 11.8 million individuals could lose coverage over the next decade, particularly those with chronic conditions or in states reliant on federal funding, though some may secure alternative insurance. New Home & Community Based Services waivers may expand care options for eligible populations. Affected individuals should explore private insurance or marketplace plans to maintain coverage.

Moving Forward

The One Big Beautiful Bill Act fundamentally alters the tax and financial planning landscape compared to pre-July 2025 rules. These changes—from new deductions to expanded 529 plans and restrictive Medicaid reforms—require tailored strategies to optimize benefits and mitigate challenges. We're here to adapt your financial plan to utilize these new regulations along with new strategies, to help you achieve your goals.

About Us



Ullmann Wealth Partners is a leading wealth management firm dedicated to helping individuals and families achieve their financial goals. Since 2002, the firm has delivered advice and personalized solutions in investment management and has provided advanced planning by working closely with the client and their other trusted advisors.



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