

What the One Big Beautiful Bill Means for Your Taxes



On July 4, 2025, the President signed the “One Big Beautiful Bill Act” into law.

This bill includes major tax changes for individuals and families. This summary highlights the most relevant changes you should know about.

CATEGORY	PREVIOUS LAW (2024–2025)	APPROVED CHANGE	NOTES
Standard Deduction	~\$29,200 (Joint), ~\$14,600 (Single)	\$31,500 (Joint), \$15,750 (Single) (2025 levels; indexed for inflation)	Permanently increased levels. Adjusted for inflation.
Senior Deduction	None	Additional \$6,000 for those age 65+ with incomes <\$75K/\$150K	2025–2028 only
Income Tax Rates	Set to rise after 2025	2017 TCJA rates made permanent (top rate 37%), with inflation adjustment for lower brackets	Lower brackets extended indefinitely
Alternative Minimum Tax (AMT)	Higher exemptions under TCJA, set to expire	Permanent AMT relief	Helps middle- and upper-middle-income households
Estate Tax Exemption	\$13.61M per individual (2024)	Increased to \$15M, indexed	Affects high-net-worth estates
SALT Deduction Cap	\$10,000	Raised to \$40,000 for incomes <\$500K	Subject to Senate revision
Tips and Overtime Tax Relief	Taxable	Tax-free from 2026–2028	Temporary provision
Child Tax Credit	\$2,000 per child	\$2,200 per child	Permanent increase beginning in 2026

“Trump Accounts” for Newborns

- \$1,000 federal deposit for babies born 2025–2028
- Parents may contribute \$5,000/year (after-tax)
- Funds may be used for education, job training, a first home (after age 18), or anything (after age 30)
- *Note:* Not a tax-advantaged account like a 529 plan

What Should You Do Now?

- **Model different scenarios:** Talk with your advisor about how changes could affect your retirement plan, especially tax brackets, deductions, and estate planning.
- **Prepare for a moving target:** Some changes are permanent; others expire in 2028 or 2029.
- **Coordinate with professionals:** If you work with a CPA or estate attorney, this is a good time to get input.