



# **One Big Beautiful Bill: Understanding the Key Tax Provisions for Individuals**

August 6, 2025

# Presenters



**Martin Shields, CFP®, AIF®**  
Chief Wealth Advisor & Shareholder



**Scott Strohecker, CFP®, EA**  
Wealth Advisor & Tax Planner



**Vincenzo Testa, CPA, CFP®, ECA**  
Wealth Advisor & Tax Planner

HEALTH.  
WEALTH.  
FOR LIFE.

# Today we will discuss:

- **Provisions Made Permanent**
  - Income Tax Brackets and Standard Deduction
- **Updated Provisions**
  - SALT Cap
  - Child Tax Credit
  - Qualified Opportunity Zones
- **New Tax Provisions**
  - Senior Deduction
  - Auto Loan Interest Deduction
  - “No Tax on Tips or Overtime”
  - Charitable Deduction for Non-Itemizers
  - Investment Accounts for Dependents (Trump Accounts)
- **Tax Planning Opportunities & Recap**

HEALTH.

WEALTH.

FOR LIFE.

# Provisions Made Permanent

# Income Tax Brackets

| Rate | Single                | HOH                   | MFJ                   |
|------|-----------------------|-----------------------|-----------------------|
| 10%  | \$0 -11,925           | \$0 - \$17,000        | \$0 - \$23,850        |
| 12%  | \$11,925 - \$48,475   | \$17,000 - \$64,850   | \$23,850 - \$96,950   |
| 22%  | \$48,475 - \$103,350  | \$64,850 - \$103,350  | \$96,950 - \$206,700  |
| 24%  | \$103,350 - \$197,300 | \$103,350 - \$197,300 | \$206,700 - \$394,600 |
| 32%  | \$197,300 - \$250,525 | \$197,300 - \$250,500 | \$394,600 - \$501,050 |
| 35%  | \$250,525 - \$626,350 | \$250,500 - \$626,350 | \$501,050 - \$751,600 |
| 37%  | \$626,350+            | \$626,350+            | \$751,600+            |

HEALTH.

WEALTH.

FOR LIFE.

# Standard Deduction

## Standard Deductions Under OBBBA

| Filing Status | 2025 TCJA | 2025 OBBBA |
|---------------|-----------|------------|
| Single        | \$15,000  | \$15,750   |
| HOH           | \$22,500  | \$23,625   |
| MFJ           | \$30,000  | \$31,500   |

**If over age 65 or blind,**

- Add \$1,600 to standard deduction
- \$2,000 for unmarried taxpayers

HEALTH.

WEALTH.

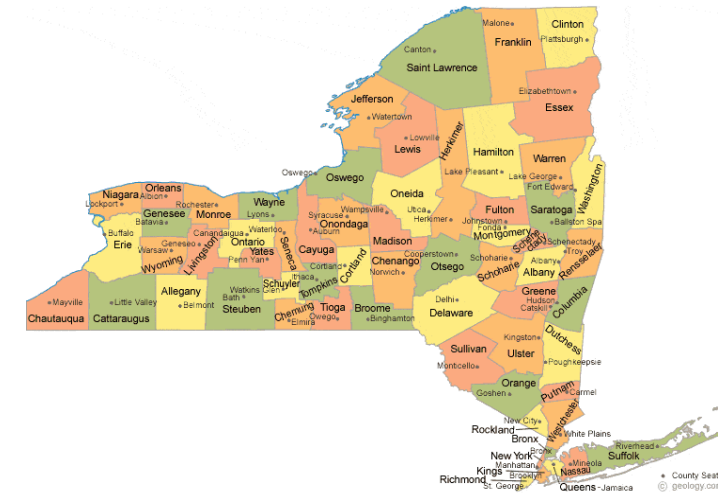
FOR LIFE.

# Updated Provisions

# SALT Cap

- SALT cap increased from \$10,000 to \$40,000 – 2025 through 2029
- 1% increase each year
- Income phase-out starting at \$500,000 MFJ/S (\$250,000 MFS)

| Tax Year        | SALT Cap | Income Threshold at Which SALT Cap Begins Phase-Out |
|-----------------|----------|---|
| 2025            | \$40,000 | \$500,000   |
| 2026            | \$40,400 | \$500,500   |
| 2027            | \$40,804 | \$510,050   |
| 2028            | \$41,212 | \$515,151   |
| 2029            | \$41,624 | \$520,302   |
| 2030 and beyond | \$10,000 | N/A   |





# Child Tax Credit

- Increased the child tax credit from \$2,000 to \$2,200 for each child under 17
- Starts in 2025
- After 2025, it will be adjusted for inflation
- Subject to income phaseout



| Income Phase-Out |                       |
|------------------|-----------------------|
| Single           | \$200,000 - \$240,000 |
| MFJ              | \$400,000 - \$440,000 |

HEALTH.

WEALTH.

FOR LIFE.

# Qualified Opportunity Zones

- **Extended indefinitely** – original program was scheduled to expire for new investments on December 31, 2026.
- Defer tax on eligible gain if invested timely in a Qualified Opportunity Fund (QOF)
  - Gain deferral available for 5 years
- Eligible for a basic adjustment depending on your holding period
  - Potentially, **NEVER** taxed on the appreciation of the QOF

HEALTH.

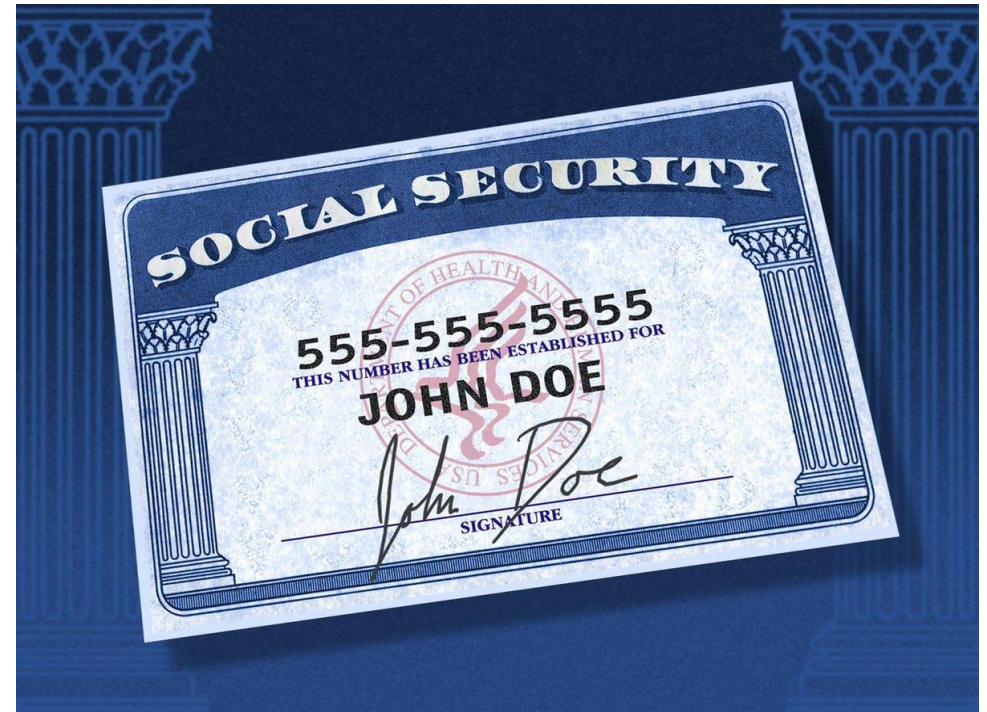
WEALTH.

FOR LIFE.

# New Tax Provisions

# Senior Deduction

- **Eligibility Age:**
  - Available to taxpayers aged 65 and older.
- **Amount of Deduction:**
  - Single filers: Additional \$6,000 standard deduction.
  - Married filing jointly (if both spouses are 65+): Additional \$12,000 combined.
- **This is on top of the existing standard deduction.**



# Auto Loan Interest Deduction

## Auto Loan Interest Deduction

- **Maximum Annual Deduction:** Up to \$10,000 in loan **interest** per tax year on qualified auto loans
- **Eligibility Window:** Applies to loans originated after December 31, 2024, and only for tax years 2025 through 2028

## Eligible Vehicles Must

- Be cars, SUVs, pickups, vans, or motorcycles under 14,000 lbs
- Have undergone final assembly in the United States, as shown on the Monroney sticker or via VIN decoding tools





# No Tax on Tips or Overtime



**NO TAXES  
ON OVERTIME  
& TIPS!**

- **New Tax Break:**
  - **TIPS** - Up to **\$25,000 per year** for qualifying tips earned by employees who regularly receive tips in eligible occupations
  - **OVERTIME** - Up to **\$12,500 per year** (or **\$25,000 for married filing jointly**)
- **Effective Date:**

For income earned on or after January 1, 2025 through 2028
- **What's Excluded:**
  - **All tips** — cash, credit, pooled, auto-gratuity
  - **All overtime pay** — regardless of rate multiplier
  - **Not included:** bonuses, commissions, or contractor pay
- **Other Tax Impacts:**
  - Still subject to **FICA (Social Security & Medicare)**
  - **State taxes** may still apply depending on jurisdiction

HEALTH.

WEALTH.

FOR LIFE.

# Charitable Deduction for Non-Itemizers

- **Deduction Limit: Up to \$2,000**
  - \$1,000 for Single Filers
  - \$2,000 for Married Filing Jointly
- **Cash Gifts Only**

Applies to cash donations made to qualified 501(c)(3) charities. No property, stock, or donor-advised fund contributions allowed.



# Investment Accounts for Dependents (Trump Accounts)



- **Seeded with \$1,000 at Birth**  
Every U.S. child born Dec 2025–Dec 2028 receives a \$1,000 government-funded TRUMP Account.
- **Annual Family Contributions up to \$5,000**  
Parents, guardians, or family members can contribute each year until the child reaches adulthood.
- **Tax-Deferred Growth**

HEALTH.

WEALTH.

FOR LIFE.



# Tax Planning Opportunities & Recap

# Tax Planning Opportunities

- **Higher Standard Deduction & Senior Deduction = More Room for Roth Conversions**

Take advantage of increased deductions to convert traditional IRAs to Roth at lower effective tax rates.

- **Structure First Car Purchase as a Loan for Interest Deduction**

Finance a qualifying auto purchase and track interest payments.

- **Charitable Deduction Without Itemizing**

Encourage cash gifts of up to \$2,000 to qualified charities even if taking the standard deduction.

HEALTH.

WEALTH.

FOR LIFE.

# Recap

- Understand permanent, modified, and new provisions – how much they impact you depends on your particular situation
- Watch out for phase-out ranges and the effective date of the provisions
- More to come – Redesign of 1040 and W-2 along with treasury guidance
- **Plan Accordingly** – Schedule a call or meeting today



**Thank you for joining us!**

**bouchey**  
FINANCIAL GROUP

# Disclosure

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Bouchey Financial Group, Ltd.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Bouchey Financial Group, Ltd.. Please remember to contact Bouchey Financial Group, Ltd., **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. Bouchey Financial Group, Ltd. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the Bouchey Financial Group, Ltd.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.

HEALTH.

WEALTH.

FOR LIFE.