UNIFIRST FINANCIAL & TAX CONSULTANTS

MAXIMIZE YOUR 2025 TAX SAVINGS UNDER THE ONE BIG BEAUTIFUL BILL

NEW DEDUCTIONS. BIGGER CREDITS. REAL OPPORTUNITIES YOU CAN ACT ON TODAY.

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The One Big Beautiful Bill
2025 Tax Strategy Guide

What Changed, Who Benefits, and What You Should Do Now

On July 4, 2025, Congress passed H.R. 1, informally called the One Big Beautiful Bill—a sweeping tax and spending reform package backed by President Donald Trump.

This law reshapes the U.S. tax system for individuals, families, and businesses from 2025 through at least 2028.

It increases deductions, expands credits, and creates time-sensitive planning opportunities—but also sets deadlines, phase-outs, and new requirements most people will overlook.

This guide gives you a clear breakdown of:
- What changed under the law
- Who benefits from each provision
- Why these changes matter
- What you need to act on before benefits phase out

Whether you're a business owner, high-income earner, working professional, or family household—this guide will help you take advantage of the law while it lasts.

FOR BUSINESS OWNERS & SELF-EMPLOYED PROFESSIONALS

20% QBI DEDUCTION MADE PERMANENT
Before: Set to expire after 2025
Now: Now permanent for qualified pass-through entities

Why it matters: Locks in a 20% tax break on business income
What to do: Ensure your structure qualifies (LLC, S Corp); review compensation and thresholds

100% BONUS DEPRECIATION RETURNS
Before: Dropped to 60% and phasing out
Now: Full 100% expensing restored for qualifying assets

Why it matters: Immediate tax write-offs improve cash flow
What to do: Time equipment, vehicle, or tech purchases this year

BUSINESS INTEREST DEDUCTION EXPANDED
Before: Capped at 30% of ATI (excluding depreciation)
Now: Now 30% of EBITDA (more generous)

Why it matters: Increases deduction for capital-heavy businesses
What to do: Recalculate deductions and revisit financing strategies

R&D AND MANUFACTURING CREDITS BOOSTED
Before: Limited access for small firms
Now: Expanded for U.S.-based research and production

Why it matters: Innovation-focused firms can offset more tax
What to do: Document R&D activities and claim credits via IRS Form 6765

TAX-FREE TIPS & OVERTIME (2026–2028)
Before: Fully taxable
Now: Up to $25,000 in tips/OT tax-free for eligible staff

Why it matters: Boosts retention and net income for service workers
What to do: Inform employees; update payroll tracking systems

SALT DEDUCTION CAP RAISED
Before: $10,000 cap
Now: Temporarily increased to $40,000 (through 2030)

Why it matters: High-tax states regain major deductions
What to do: Reevaluate itemizing; use PTET elections where available

GREEN ENERGY CREDITS EXPIRE SOON

Before: Gradual phase-out starting 2024
Now: Full expiration by 2026

Why it matters: Last chance for solar, HVAC, EV credits
What to do: Complete eligible installations this year and retain documentation

"TRUMP BABIES" ACCOUNTS (2025–2028)

What it was before: No federal starter savings
What it is now: $1,000 government seed + $5,000/year contribution allowance

Why it matters: New tax-advantaged savings option
What to do: Open eligible accounts for newborns, especially in family-run businesses

QSBS CAPITAL GAIN EXCLUSION INCREASED

Before: $10M in capital gain exclusion
Now: Raised to $15M

Why it matters: More tax-free exit potential for founders and early investors
What to do: Confirm QSBS eligibility and plan 5-year exit strategies

ESTATE & GIFT TAX EXEMPTION DOUBLED

Before: ~$12.9M per person
Now: $15M per person / $30M per couple (through 2028)

Why it matters: Time-sensitive window to transfer business wealth tax-free
What to do: Begin gifting or structuring succession plans before the sunset

FOR BUSINESS OWNERS: WHY PLANNING MATTERS NOW

This isn't just another tax update—it's a time-sensitive opportunity. The new rules reward proactive planning, not last-minute filing. Waiting could mean missing out on deductions, credits, and strategies that disappear, phase out, or get watered down in future legislation. Whether it's entity structure, depreciation timing, succession planning, or employee benefits, the choices you make this year will define how much you save—and how protected your business is long-term.

If you don't have a financial plan, now is the time to build one.

FOR INDIVIDUALS & AFFLUENT FAMILIES

STANDARD DEDUCTION INCREASED

Before: $13,850 (single) / $27,700 (joint)
Now: $15,750 (single) / $31,500 (joint)

Why it matters: More income shielded from tax
What to do: Recalculate withholding; re-evaluate itemizing

CHILD TAX CREDIT INCREASED

Before: $2,000 per child
Now: $2,200 per child, indexed through 2028

Why it matters: More direct savings for families
What to do: Ensure W-4 and eligibility are up-to-date

TAX-FREE TIPS & OVERTIME (2026–2028)

Before: Fully taxable
Now: Up to $25,000 tax-free for qualified workers

Why it matters: Increases take-home pay in service sectors
What to do: Track OT/tips accurately; plan ahead for 2026

AUTO LOAN INTEREST DEDUCTION

Before: No deduction allowed
Now: Deduct up to $10,000 on U.S.-made car loan interest

Why it matters: Creates tax savings for car buyers
What to do: Keep documentation; confirm car qualifies

“TRUMP ACCOUNTS” FOR NEWBORNS

Before: No such option existed
Now: $1,000 seed + $5,000/year contribution window

Why it matters: Great tool for education or future income
What to do: Open account ASAP and set auto-contributions

SALT DEDUCTION CAP RAISED

Before: $10,000
Now: $40,000 through 2030

Why it matters: Major benefit for high-income families in high-tax states
What to do: Explore itemization; review timing of local tax payments

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GREEN ENERGY CREDITS EXPIRING

Before: Phase down was gradual
Now: Expiring fully by 2026

Why it matters: Final chance to claim large credits for solar, energy upgrades
What to do: Act quickly on eligible improvements; save receipts

ESTATE & GIFT EXEMPTION INCREASED

Before: ~$12.9M
Now: $15M (single) / $30M (joint)

Why it matters: Limited window to move wealth tax-free
What to do: Create or update gifting plan and trusts now

AMT & ITEMIZED DEDUCTION LIMITS ARE BACK

Before: AMT had higher thresholds—few people paid it. High earners could deduct the full value of charitable donations and other itemized expenses.
Now: AMT thresholds stay the same, but itemized deduction limits return for high earners—meaning your deductions could be reduced.

Why it matters: If you make over $200K (single) or $400K (joint), you might not get full value from itemized deductions. This impacts big charitable gifts, mortgage interest, and SALT deductions—even with the $40K cap.

What you should do: Run projections now if your income is over $200K (single) or $400K (joint). If donating large amounts to charity, consider donor-advised funds or bunching contributions. Speak to your tax advisor about AMT risk if you're exercising stock options or claiming large deductions. Don't assume itemizing gives you full value. Compare against the new higher standard deduction.

FOR INDIVIDUALS & FAMILIES: PLANNING IS NO LONGER OPTIONAL

The new tax law gives you more ways to save—but only if you plan ahead. Increased deductions, expanded credits, and tax-free income opportunities sound great, but without a strategy, most people will miss them. These changes affect how you work, save, give, and build wealth—and many come with deadlines or income limits. Relying on tax prep alone won't cut it.

If you want to keep more of your income and secure your future, you need a plan—not just a refund. The earlier you act, the more you benefit.

BUSINESS OWNER:
Carlos owns a small HVAC company in Pennsylvania. His business brings in $600,000 a year. He recently bought a new van, hired two employees, and has been thinking about retirement—but hasn't taken time to plan. He usually just hands everything to his tax preparer in March and hopes for the best.

WHAT HE DID:
Carlos sat down for a midyear planning session. We walked through his eligibility for the 20% QBI deduction, restructured his income to meet the thresholds, and used 100% bonus depreciation to write off the $42,000 van purchase. We also set up a Section 125 plan to offer tax-free benefits to his team and elected into PA's pass-through entity tax to take full advantage of the $40,000 SALT cap. Finally, we started a basic succession plan to transfer equity to his son over time.

REAL-WORLD RESULT:
Carlos reduced his 2025 tax bill by over $34,000, increased employee retention with pre-tax benefits, and now has a plan in place to pass the business to his family. He went from reactive tax prep to proactive financial strategy—with more clarity and control over the next 10 years.

HIGH-INCOME EARNER:
Elena is a full-time nurse in Brooklyn. Her husband, Marco, works in construction. Together, they make $185,000 and have two kids—ages 4 and 7. They're renting, commuting, and trying to save for both college and retirement. Most years, they get a refund, but never feel like they're getting ahead.

WHAT SHE DID:
We reviewed their income and updated their withholding to better match their new standard deduction ($31,500). They qualified for the increased Child Tax Credit and could now deduct more under the $40,000 SALT cap. With a baby on the way, we helped them open a Trump Account for their newborn. We also shifted part of their long-term savings into a cash value life insurance policy to grow tax-free income they can use later.

REAL-WORLD RESULT:
Elena and Marco saved over $7,000 on their taxes. They now have a college fund, tax-free retirement growth, and more breathing room each month. For the first time, they feel like they're planning instead of reacting.

FREQUENTLY ASKED QUESTIONS

Smart Questions. Honest Answers. Real Tax Implications.

Q1: Isn't the standard deduction increase enough? Why bother itemizing or planning?
A: Bigger deductions are helpful—but without planning, you could still miss out on thousands in additional savings. High earners, property owners, and parents can often benefit more from optimized itemization, pass-through strategies, or advanced deductions (like SALT stacking or business expense elections).

Q2: If the 20% QBI deduction is permanent, why do I need to act now?
A: "Permanent" in tax law just means "until Congress changes it." Future administrations could roll it back. If you're not structured to qualify, you're leaving money on the table now—and risking more later.

Q3: Can I just fix everything at tax time?
A: By then, it's too late. Most deductions and credits—like depreciation, retirement contributions, or entity elections—must be in place before December 31. You don't need to wait for tax season to plan. In fact, the earlier you plan, the more options you have.

Q4: We got a refund last year. Isn't that good enough?
A: A refund isn't a win—it just means you gave the IRS an interest-free loan. The real question is: did you pay the least amount legally required? Planning helps you control the timing, amount, and type of taxes you pay—not just guess and hope for a refund.

Q5: I heard the estate tax exemption doubled. Why should I care if I'm not a millionaire?
A: That's exactly when you should care. Exemptions don't just apply to the ultra-wealthy. If you own a business, a home, or rental properties, your estate could easily grow beyond the limits. Planning now locks in today's high exemptions before they revert.

Q6: Isn't tax-free income just a gimmick?
A: No. Properly structured Roth accounts, Health Savings Accounts, and cash value life insurance can all generate tax-free withdrawals when used correctly. In a rising tax environment, tax-free income may be the most important tool you own.

Q7: Should I wait to see who wins the next election before doing anything?
A: Waiting is the most expensive strategy. This bill is already law—many benefits have timelines. Smart planning means using what's available now to hedge against whatever comes next.

Q8: My CPA handles everything. Isn't that their job?
A: Most CPAs focus on filing taxes, not reducing them. Planning takes a different approach: it's about optimizing income, deductions, and long-term strategies—before your return is ever filed.

Q9: How do I know if these changes apply to me?
A: They almost certainly do. Whether you earn $75K or $750K, these updates affect how you save, spend, invest, and protect your wealth. The smartest move is to get clarity now—before decisions are made for you by default.

Q10: What's the first step?
A: Book a planning session. We'll review where you stand, what's changed, and what moves make the most sense for your situation. No pressure. Just smart strategy.

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TAX PLANNING DOCUMENT CHECKLIST

Gather these documents to get the most out of the 2025 tax law changes.

👪 FOR INDIVIDUALS & FAMILIES

- ☐ Most recent Tax Return (Federal and State)
- ☐ W-2s from all employers
- ☐ 1099s (contract, interest, dividends, etc.)
- ☐ Social Security Statements (Form SSA-1099)
- ☐ IRA and HSA contribution records
- ☐ Mortgage interest (Form 1098) Property tax rec.
- ☐ Charitable contributions
- ☐ Medical expenses (if considering itemizing)
- ☐ Childcare expenses and provider EIN
- ☐ College tuition and student loan interest
- ☐ Dependent SSNs and birthdates
- ☐ Documentation for newborns
- ☐ Driver's license or valid ID
- ☐ Health insurance coverage details
- ☐ Any foreign bank account info (if applicable)
- ☐ Any correspondence from the IRS or State

🧾 FOR BUSINESS OWNERS

- ☐ Prior year business taxes (1120-S, 1065, Sch C)
- ☐ Year-to-date P&L Statement and Balance Sheet
- ☐ 1099-NECs you've issued to contractors
- ☐ Business bank and credit card statements
- ☐ Receipts for major purchases
- ☐ Payroll reports (W-2s, 941s, 940)
- ☐ Business mileage log or vehicle use records
- ☐ Home office expenses
- ☐ R&D activity records (if claiming credits)
- ☐ Estimated tax payments made during the year
- ☐ Documentation of entity structure
- ☐ PPP/EIDL loan details (if applicable)
- ☐ Retirement plan contributions SEP IRA, 401(k)
- ☐ Business insurance and legal expenses
- ☐ Documentation for Section 125 plans
- ☐ Copy of lease/rent agreements
- ☐ Any correspondence from the IRS or State

📌 **Pro Tip:** Organize these documents before your strategy session or tax prep appointment. Having the right info early allows for smarter decisions—and more savings.

🕒 **Don't Miss Your Window to Save:** The 2025 tax law changes create real opportunities—but only for those who plan ahead. Whether you're a business owner, a working parent, or planning for retirement, these new rules reward action, not procrastination.

📌 Bigger deductions.
📌 Permanent business breaks.
📌 Tax-free income strategies.
📌 Estate and gifting advantages.

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Let's make sure you're not leaving any money on the table. Book your free strategy session today.
No pressure. Just smart planning.