

## Key Changes/Update to the Tax Return due to The One Big Beautiful Bill Act (OBBBA)

Benefit	Who Qualifies	Key Limits & Phase-Outs	Applicable Years
No Tax on Tips (Section 224)	Employees and self-employed in occupations that customarily and regularly received tips on/before Dec. 31, 2024; not eligible if employer or trade is an SSTB under §199A; SSN required; married must file jointly	Max annual deduction: \$25,000; phases out above MAGI \$150,000 (\$300,000 joint); qualified tips include voluntary cash/charged tips and tip sharing	2025–2028
No Tax on Overtime (Section 225)	Individuals who receive qualified overtime compensation required by the FLSA (generally the half portion of time-and-a-half above the regular rate); SSN required; married must file jointly	Max annual deduction: \$12,500 (\$25,000 joint); phases out above MAGI \$150,000 (\$300,000 joint)	2025–2028
Car Loan Interest (personal-use vehicles) (Tax Deductions on Interest)	Individuals with loans on qualified vehicles (final assembly in the U.S.; personal use; lien-secured; original use by the taxpayer) - Purchased in 2025 (NEW)	Max annual deduction: \$10,000; phases out above MAGI \$100,000 (\$200,000 joint); VIN must be included on the return - verify U.S. final assembly via dealer label or VIN (NHTSA VIN Decoder)	2025–2028
Senior Deduction (additional deduction)	Individuals age 65+ (per eligible person); SSN required; married must file jointly	Additional \$6,000; phases out above MAGI \$75,000 (\$150,000 joint)	2025–2028
SALT Tax Deductions (Property Tax and State/Local Tax)	Tax Returns that qualify for Itemizing Deductions	The combined deduction for state and local income/sales taxes and property taxes is generally limited to \$40,000 per return starting in tax year 2025. The limit is \$20,000 if you are married filing separately. The full \$40,000 cap applies only if your modified adjusted gross income (MAGI) is at or below \$500,000 in 2025 (or \$250,000 if married filing separately).	2025 - 2029
Trump Accounts (new §530A)	Eligible children; government seed and permitted contributions; employer contributions excludable up to \$2,500	The combined deduction for state and local income/sales taxes and property taxes is generally limited to \$40,000 per return starting in tax year 2025. The limit is \$20,000 if you are married filing separately.	Funding begins after July 4, 2026