PERSPECTIVE6
WEALTH ADVISORS

One Big Beautiful Bill - Financial Planning Impact

- 🏖️ Retired People
  - Senior Deduction ($6,000)
    - Age 65+ Only
    - Income Limits: $75K Single / $150K Married
    - Temporary: 2025-2028 Only
  - Standard Deduction Increase
    - $15,750 Single / $31,500 Married
    - Permanent Change
  - SALT Deduction Changes
    - $10K → $40K Cap (2025-2029)
    - Phases Out Over $500K Income
    - Returns to $10K in 2030
  - Tax Brackets Made Permanent
    - Prevents 3% Increase in 2026
- 📈 Stock Compensation
  - AMT Improvements
    - Permanent Higher Exemption
      - Reduces AMT liability for stock option exercises
    - Modified Phaseout Thresholds
      - $500K Single Filers
      - $1M Joint Filers
      - Higher income before exemption phases out
    - Increased Phaseout Rate
      - Faster exemption reduction above thresholds
    - ISO Exercise Benefits
      - Less AMT triggered on incentive stock option exercises
  - QSBS Expansion
    - Reduced Holding Period
      - 3 Years: 50% Exclusion
      - 4 Years: 75% Exclusion
      - 5 Years: 100% Exclusion
    - Increased Exclusion: $10M → $15M
    - Higher Asset Limit: $50M → $75M
- 🏢 Business Owners
  - QBI Deduction (199A)
    - Made Permanent at 20%
    - Expanded Eligibility: $75K Single / $150K Married
    - Minimum $400 Deduction
  - R&D Expensing
    - Immediate Deduction (vs 5-year)
    - Retroactive to 2022 (Small Biz)
  - Bonus Depreciation
    - 100% First-Year Permanent
    - Section 179: $1M → $2.5M Cap
  - Business Interest Deduction Enhanced
    - EBITDA vs EBIT Calculation
      - Adds back depreciation/amortization to income calculation
    - Higher Deduction Limits
      - 30% of higher adjusted taxable income base
    - Improved Cash Flow
      - More interest expense deductible = lower tax burden
  - Qualified Production Property
    - 100% Depreciation Through 2030
    - Manufacturing/Production Real Estate
- 🏛️ Estate Planning
  - Estate Tax Exemption
    - $15M Per Person ($30M Married)
    - Permanent (No 2026 Sunset)
    - Inflation Indexed
  - Generation-Skipping Transfer Tax
    - Same $15M Exemption
    - Permanent Change
  - Planning Opportunities
    - Enhanced Lifetime Gifting
    - Dynasty Trust Strategies