



IMPORTANT TAX CHANGES UNDER NEW “BIG BEAUTIFUL BILL”

The Trump administration’s mega tax-and-spending bill was passed and signed into law. Here are some of the key provisions for investors and taxpayers.

Solidifies the 2017 tax cuts

The bill makes many of the previously lowered tax brackets permanent from the 2017 Tax Cuts & Jobs Act. It also increases some deductions and child tax credit.

“SALT” deduction

Increases the federal deduction for state & local income taxes and property taxes. Rising from \$10,000 to \$40,000 in 2025. SALT rises 1% annually through 2029, then reverts to \$10,000 in 2030.

Higher standard deduction

Up from \$15,000 to \$15,750 (single) and \$30,000 to \$31,500 (married filing jointly) in 2025. Indexed for inflation in subsequent years.

Enhanced deduction for seniors

Temporary senior deduction for age 65 and older – \$6,000 for individuals and \$12,000 for couples. Phases out for those earning over \$75,500 (\$150,000 couples). Expires in 2028.

Increased child tax credit

Current \$2,000 child tax credit increased to \$2,200 for qualifying children under age 17. Indexed to inflation starting in 2026.

Expanded 529 qualified expenses

In 2026, the annual limit for K-12 expenses and a wider range of workforce development and continuing education programs will increase to \$20,000 (up from \$10,000). This expansion includes non-tuition costs such as curriculum materials, books, tutoring and more.

Solidifies estate and gift tax exemption

Beginning in 2026, the amount of assets that can be inherited without triggering the estate tax will rise to \$15 million (single) from \$13.99 million and \$30 million from \$27.98 million (married filing jointly). Indexed to inflation in subsequent years.

Can deduct new car loan interest

Taxpayers are eligible for a deduction of up to \$10,000 a year for interest paid on a new car loan. The vehicle must be assembled in the United States. Declining deductions for taxpayers whose income exceeds \$100,000 (\$200,000 for couples). This provision expires at the end of 2028.

Charitable contributions

Allows non-itemizers to claim a deduction of up to \$1,000 (\$2,000 for couples), beginning in 2026. This provision is permanent.

Disclosure: Content is CMC’s interpretations from various sources. Always consult with a certified accountant and legal professional for up-to-date tax and estate provisions.