

# Key individual tax changes from the One Big Beautiful Bill (OBBB) Act 2025

Prior law

New legislation 7/4/25

Standard Deduction	
\$15,000 single; \$30,000 married filing jointly for 2025, but set to revert to lower levels after 2025	\$15,750 single; \$31,500 married filing jointly for 2025, permanently increases with adjustments for inflation
'Bonus' deduction for older adults*	
\$1,600 for age 65 and older for 2025; \$2,000 unmarried/not surviving spouse for 2025	\$6,000 bonus for a total of \$7,600 or \$8,000 for age 65 and older for 2025 through 2028
State and local tax deduction (SALT)*	
\$10,000 limit through 2025	\$40,000 limit for 2025; increases annually to adjust for inflation through 2029; reverts to \$10,000 in 2030
Child tax credit	
Max credit of \$2,000 per child through 2025, but was set to revert to \$1000 after 2025. Refundable portion \$1700 for 2025	Max credit of \$2,200 per child; refundable portion \$1,700 for 2025, permanently set with annual adjustments for inflation
Estate and gift tax exemption	
\$13.99 million single; \$27.98 million married filing jointly, set to revert to \$7 million individual after 2025	\$15 million single; \$30 million married filing jointly for 2026, made permanent and indexing with inflation
Tax on tips*	
Taxed as regular income	Deduct up to \$25,000 per year from 2025 through 2028 for qualifying occupations
Overtime pay*	
Taxed as regular income	Deduct up to \$12,500 per taxpayer from 2025 through 2028
Auto loan interest*	
No deduction permitted	Deduct up to \$10,000 of annual interest on loans from 2025 through 2028 for qualified passenger vehicles. The vehicle must have been assembled in the US and purchased new.
Charitable deduction for non-itemizers	
No deduction permitted	\$1,000 single; \$2,000 married filing jointly; permanent after 2025

**\*Many of these provisions have income phase-outs and other limitations**

*This is a simplified summary of recent legislative changes that may undergo further interpretation/clarification. This is not to be considered as tax advice, please consult a tax professional if you believe any of these provisions may apply to your situation. Securities and investment advisory services offered through Cetera Advisors LLC, member FINRA/SIPC, a broker/dealer and Registered Investment Adviser. Neither Cetera Advisors LLC nor any of its representatives may give legal or tax advice. Since 1997, Green Financial is located at 3700 Crestwood Pkwy, Ste 140, Duluth, GA 30096.*