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The House recently passed comprehensive tax legislation that could reshape your financial landscape. Here’s what to know. Read more...

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Heads Up! Major Tax Changes on the Horizon

The House recently passed what many are calling ["One Big, Beautiful Bill"](https://waysandmeans.house.gov/wp-content/uploads/2025/05/The-One-Big-Beautiful-Bill-Section-by-Section.pdf) that could reshape the tax landscape for individuals and businesses. While it still needs to pass the Senate, and the President sign it into law, understanding these potential changes now gives you time to prepare and potentially benefit from new opportunities.

Check back here for updates on the proposed legislation, but in the meantime, let's break down the most significant proposed changes and what they could mean for you.

# Business Asset Purchases May Get More Attractive

One of the most significant changes for businesses involves "bonus depreciation." Currently, when you buy business assets like equipment or vehicles, you can only write off 40% of the cost in the first year. The proposed legislation would restore this to 100%, meaning you could write off the entire cost immediately.

This change particularly benefits real estate investors and business owners who regularly purchase equipment. For example, if you buy a $100,000 piece of equipment for your business, instead of spreading that deduction over several years, you could claim the full $100,000 deduction in the year you purchased it.

Real estate professionals especially benefit from this change when combined with cost segregation strategies. You can identify portions of rental properties—like lighting, flooring, and appliances—that can be depreciated faster than the building itself. With 100% bonus depreciation restored, investors could see immediate tax benefits that might exceed their actual cash investment on a mortgage.

Another business benefit involves research and development expenses. Since 2022, businesses have had to spread R&D costs over five years instead of deducting them immediately. The proposed legislation would restore the ability to deduct these costs in the year they're incurred, but only for domestic research projects. Foreign R&D would still be spread over 15 years, creating a clear incentive to keep innovation stateside.

# Individuals May See More Money in Their Pockets

Several provisions target individual taxpayers, offering relief in areas that affect daily life. The state and local tax (SALT) deduction, currently capped at $10,000, would increase to $40,000. This change particularly helps residents of high-tax states who currently lose significant deductions due to the cap.

Parents would see the child tax credit increase from $2,000 to $2,500 per child. This isn't just a deduction—it's a dollar-for-dollar reduction in your tax bill. For families with multiple children, this could mean thousands of additional dollars in their pockets.

The legislation also proposes eliminating taxes on tips for workers in food service and beauty industries. Additionally, overtime pay would become more attractive as the "extra half" of time-and-a-half pay would be tax-free, though this excludes highly compensated employees earning over $200,000.

Even car loans will be affected, with up to $10,000 in auto loan interest becoming deductible for lower and middle-income earners. Taken as a whole, these provisions could help many families reduce their tax burden significantly.

# Plan For the Changes Now

These changes create opportunities, but they also require strategic planning. The legislation includes income thresholds that phase out many benefits as your income rises. However, preparing now can help you position your income to qualify for these valuable deductions and credits. Most of these tax benefits expire in 2028, so you have a limited window to take advantage of them.

For more information on how you could be impacted - and how to structure a strategic and comprehensive Life & Legacy Plan to prepare for the upcoming changes - click here to schedule a complimentary 15-minute consultation with me:

[Insert scheduling link]

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