

Tracking 2025 Tax Legislation

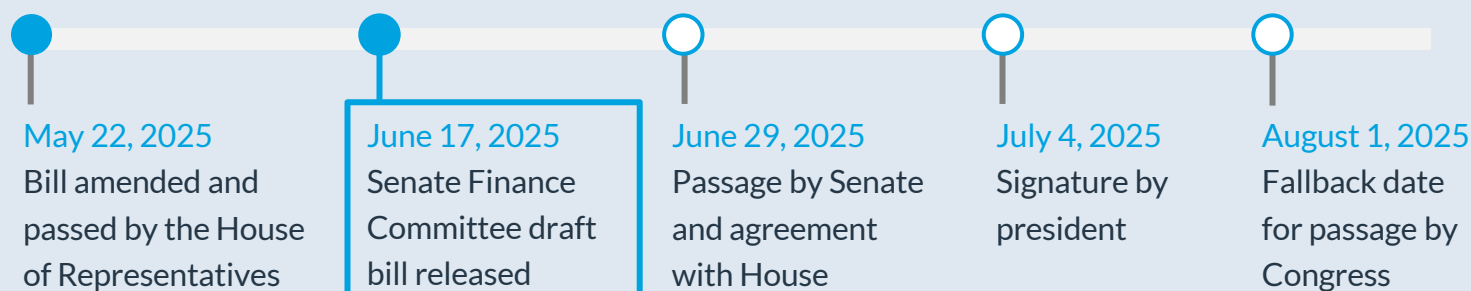


REFRESHER: TAX CUTS AND JOBS ACT (TCJA) OF 2017

- TCJA was passed via budget reconciliation and signed into law in December 2017
- Many changes to the tax code that impacted:
 - Income tax rates, deductions, and exemptions; gift and estate taxes; business taxes; and much more
- Most of its provisions went into effect on January 1, 2018, and are scheduled to expire on January 1, 2026

POTENTIAL 2025 LEGISLATION: “ONE BIG BEAUTIFUL” BILL

Current and Projected Legislative Timeline:



Senate Finance Committee Tax Bill Key Provisions:

- Maintains the TCJA \$10,000 limit for state and local tax (SALT) deduction
- Maintains the TCJA 20% qualified business income deduction
- Maintains the House Proposal for increasing estate, gift, and generation-skipping transfer (GST) exemptions to \$15 million per person
- Maintains the House Proposal for individual income tax rates and brackets (expands exceptions for the 24% to 37% bracket)
- Introduces permanent Qualified Opportunity Zone (QOZ) program
- Expands the “qualified small business stock” (QSBS) tax exemption under IRC Section 1202

COMPARISON OF KEY PROVISIONS

House of Representatives (as of May 22, 2025) vs. Senate Finance Committee (as of June 17, 2025)

Provision	House of Representatives Tax Bill	Senate Finance Committee Draft Tax Bill														
Income Tax Rates & Brackets	Permanent extension of TCJA tax rates & brackets Extra inflation adjustment to the bottom 6 brackets (excludes the 37% brackets)	Permanent extension of TCJA tax rates & brackets Extra inflation adjustment to the bottom 3 brackets (excludes the 24%, 32%, 35%, and 37% brackets)														
State and Local Tax Deduction	Increases limit to \$40,000 ("New Limit") with phasedown to \$10,000 <ul style="list-style-type: none">New Limit is reduced by 30% of a taxpayer's modified adjusted gross income ("MAGI") in excess of \$250,000 (single) / \$500,000 (married), but not below \$10,000New Limit & MAGI thresholds will increase by 1% per year from 2026 to 2033	Extends TCJA's \$10,000 State and Local Tax (SALT) deduction limit														
Qualified Business Income (QBI) Deduction	Increases deduction to 23% of qualified business income	Permanently extends TCJA's 20% deduction for qualified business income Beginning in 2026, provides minimum \$400 deduction for taxpayers with at least \$1,000 in qualified business income														
Limit on Itemized Deductions	New limitation that reduces value of the following itemized deductions for taxpayers in the 37% bracket		New limitation that reduces value of all itemized deductions for taxpayers in the 37% bracket													
	Deduction	Percentage Reduced	Deduction	Percentage Reduced												
	State and Local Taxes	5%	All Itemized Deductions	2%												
	All Other	2%														
Gift and Estate Tax Exemptions	Exemption amounts as of January 1, 2026		Filing Status	Gift & Estate Tax Exemption												
			Single	\$15,000,000												
			Married	\$30,000,000												
Qualified Opportunity Zones (QOZ)	Applicable for tax years 2027 to 2033 Allows states to designate new QOZ areas <ul style="list-style-type: none">Establishes new QOZ period beginning January 1, 2027, through December 31, 2033Basis step-up of 10% if held for at least 5 yearsBasis step-up increased to 30% if QOZ is in a "rural area" Taxpayers may reinvest up to \$10,000 of post-tax ordinary income Appreciation on QOZ investment is excluded from taxable income if held for at least 10 years	Establishes a new, permanent QOZ program <ul style="list-style-type: none">QOZ designations every 10 years starting as early as January 1, 2027Requires realization of gains in the 7th year of any given 10-year QOZ windowInvestor's basis step-up increased each year they remain invested in a QOZ project, capped at 10% step-up in basis"Basis boost" for QOZs in "rural areas" capped at 30% instead of 10%														
Qualified Small Business Stock (QSBS)	N/A	Expands the current tax benefits under IRC Section 1202 for Qualified Small Business Stock issued after the Enactment Date <ul style="list-style-type: none">QSBS exclusion limit increased from the current \$10 million to \$15 million (indexed by inflation beginning in tax year 2027)New phase-in exclusion percentage based on holding period <table><tr><th>Holding Period</th><th>Current Exclusion Percentage</th><th>Proposed Exclusion Percentage</th></tr><tr><td>3 Years</td><td>0%</td><td>50%</td></tr><tr><td>4 Years</td><td>0%</td><td>75%</td></tr><tr><td>5+ Years</td><td>100%</td><td>100%</td></tr></table>			Holding Period	Current Exclusion Percentage	Proposed Exclusion Percentage	3 Years	0%	50%	4 Years	0%	75%	5+ Years	100%	100%
Holding Period	Current Exclusion Percentage	Proposed Exclusion Percentage														
3 Years	0%	50%														
4 Years	0%	75%														
5+ Years	100%	100%														

SENATE FINANCE COMMITTEE PROPOSAL

INDIVIDUAL TAX PROVISIONS (PROPOSED SENATE TAX BILL, as of June 17, 2025)

Permanent Extensions: The following provisions of TCJA would be made permanent by the Proposed Senate Tax Bill and include some additional changes.

Provision	Current TCJA Law			Additional Changes		
Income Tax Rates & Brackets <i>Chapter 1, Sec. 70101</i>	Tax Rate	Single	Married	Extra inflation adjustment to the bottom 3 brackets (<i>excludes the 24%, 32%, 35%, and 37% brackets</i>)		
	37%	\$626,350 +	\$751,600 +			
	35%	\$626,350– \$250,525	\$751,600– \$501,050			
	32%	\$250,525– \$197,300	\$501,050– \$394,600			
	24%	\$197,300– \$103,350	\$394,600– \$206,700			
	22%	\$103,350– \$48,475	\$206,700– \$96,950			
	12%	\$48,475– \$11,925	\$96,950– \$23,850			
	10%	\$11,925–\$0	\$23,850–\$0			
Standard Deduction <i>Chapter 1, Sec. 70102</i>	Filing Status	Standard Deduction		Extra inflation adjustment (applicable for tax years 2026 to 2028) • \$1,000 for Single • \$2,000 for Married		
	Single	\$15,000				
	Married	\$30,000				
Personal Exemptions <i>Chapter 1, Sec. 70103</i>	Repealed			N/A		
Miscellaneous Itemized Deductions <i>Chapter 1, Sec. 70110</i>	Repealed			Restores unreimbursed “educator expenses” as an eligible itemized deduction		
Mortgage Interest Deduction <i>Chapter 1, Sec. 70108</i>	Limited to \$750,000 of indebtedness			Restores mortgage insurance premiums as eligible for the deduction		
State and Local Tax Deduction <i>Chapter 6, Sec. 70601</i>	Limited to \$10,000			Extends TCJA’s \$10,000 State and Local Tax (SALT) deduction limit		
Qualified Business Income (QBI) Deduction <i>Chapter 1, Sec. 70105</i>	Taxpayers may deduct 20% of qualified business income from a partnership, S-Corporation, or sole proprietorship			Permanently extends the 20% deduction for qualified business income Beginning in 2026, provides minimum \$400 deduction for taxpayers with at least \$1,000 in qualified business income		
Limit on Itemized Deductions <i>Chapter 1, Sec. 70111</i>	Repealed “Pease” limitation			New limitation that reduces value of all itemized deductions for taxpayers in the 37% bracket		
				Deduction	Percentage Reduced	
				All Itemized Deductions	2%	
Alternative Minimum Tax (AMT) <i>Chapter 1, Sec. 70107</i>	Filing Status	AMT Exemption	AMT Phaseout	Resets base year for indexing phaseout thresholds from 2017 to 2026 — see below for tax year 2026		
	Single	\$88,100	\$626,350			
	Married	\$137,000	\$1,252,700			
	Filing Status	AMT Exemption	AMT Phaseout			
	Single	\$88,100	\$500,000			
	Married	\$137,000	\$1,000,000			

INDIVIDUAL TAX PROVISIONS (PROPOSED SENATE TAX BILL, as of June 17, 2025)

Permanent Extensions (continued): The following provisions of TCJA would be made permanent by the Proposed Senate Tax Bill and include some additional changes.

Provision	Current TCJA Law	Additional Changes												
Gift and Estate Tax Exemptions <i>Chapter 1, Sec. 70106</i>	Exemption amounts as of January 1, 2025 <table><tr><th>Filing Status</th><th>Gift & Estate Tax Exemption</th></tr><tr><td>Single</td><td>\$13,990,000</td></tr><tr><td>Married</td><td>\$27,980,000</td></tr></table>	Filing Status	Gift & Estate Tax Exemption	Single	\$13,990,000	Married	\$27,980,000	Increases exemption amount beginning January 1, 2026 <table><tr><th>Filing Status</th><th>Gift & Estate Tax Exemption</th></tr><tr><td>Single</td><td>\$15,000,000</td></tr><tr><td>Married</td><td>\$30,000,000</td></tr></table>	Filing Status	Gift & Estate Tax Exemption	Single	\$15,000,000	Married	\$30,000,000
Filing Status	Gift & Estate Tax Exemption													
Single	\$13,990,000													
Married	\$27,980,000													
Filing Status	Gift & Estate Tax Exemption													
Single	\$15,000,000													
Married	\$30,000,000													
Qualified Opportunity Zones (QOZ) <i>Chapter 4, Subchapter C, Sec. 70421</i>	<p>Taxpayers may reinvest any capital gain into a QOZ</p> <ul style="list-style-type: none">• Deferral of tax liability until tax year 2026• Basis step-up of 10% if held for at least 5 years• Additional basis step-up of 5% if held for at least 7 years <p>Appreciation on QOZ investment is excluded from taxable income if held for at least 10 years</p> <p><i>*Note: Current TCJA Law was not extended. TCJA's current QOZ period will end early, on December 31, 2026*</i></p>	<p>Establishes a new, permanent QOZ program</p> <ul style="list-style-type: none">• QOZ designations every 10 years starting as early as January 1, 2027• Requires realization of gains in the 7th year of any given 10-year QOZ window• Investor's basis step-up increased each year they remain invested in a QOZ project, capped at 10% step-up in basis• "Basis boost" for QOZs in "rural areas" capped at 30% instead of 10%												

New Provisions: The following are new provisions contained in the proposed Senate Tax Bill and includes some additional changes as compared to the House's Bill.

Provision	Details												
No Tax on Tips <i>Chapter 2, Sec. 70201</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none">Creates an above-the-line deduction for “qualified tips” — defined as “an occupation which traditionally and customarily receives tips during a given taxable year”\$25,000 limitTaxpayers do not need to itemize deductions to qualifyPhased out at a 10% rate for employees with compensation greater than \$150,000 per year for single taxpayers / \$300,000 per year for married taxpayers (indexed annually for inflation)												
No Tax on Overtime <i>Chapter 2, Sec. 70202</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none">Creates an above-the-line deduction for “qualified overtime compensation” — defined as “compensation paid to an individual in excess of the regular rate”\$12,500 limit for single taxpayers / \$25,000 limit for married taxpayersTaxpayers do not need to itemize deductions to qualifyPhased out at a 10% rate for employees with compensation greater than \$150,000 per year for single taxpayers / \$300,000 per year for married taxpayers (indexed annually for inflation)												
No Tax on Auto Loan Interest <i>Chapter 2, Sec. 70203</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none">Creates an above-the-line deduction for “qualified passenger vehicle loan interest” — defined as a passenger vehicle (1) which is manufactured primarily for use on public streets, roads, and highways; (2) which has at least two wheels; (3) which is a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle; and (4) the final assembly of which occurs in the U.S.Limited to \$10,000 overallTaxpayers do not need to itemize deductions to qualifyPhased out at modified adjusted gross income (MAGI) of \$100,000 (single) / \$200,000 (married)												
Qualified Small Business Stock <i>Chapter 4, Subchapter D, Sec. 70431</i>	<p>Expands the current tax benefits afforded under IRC Section 1202 for Qualified Small Business Stock issued after the Enactment Date</p> <ul style="list-style-type: none">QSBS exclusion limit increased from the current \$10 million to \$15 million (indexed by inflation beginning in tax year 2027)New phase-in exclusion percentage based on holding period <table><tr><th>Holding Period</th><th>Current Exclusion Percentage</th><th>Proposed Exclusion Percentage</th></tr><tr><td>3 Years</td><td>0%</td><td>50%</td></tr><tr><td>4 Years</td><td>0%</td><td>75%</td></tr><tr><td>5+ Years</td><td>100%</td><td>100%</td></tr></table>	Holding Period	Current Exclusion Percentage	Proposed Exclusion Percentage	3 Years	0%	50%	4 Years	0%	75%	5+ Years	100%	100%
Holding Period	Current Exclusion Percentage	Proposed Exclusion Percentage											
3 Years	0%	50%											
4 Years	0%	75%											
5+ Years	100%	100%											

BUSINESS TAX PROVISIONS (PROPOSED SENATE TAX BILL, as of June 17, 2025)

TCJA Extensions: The following provisions of the TCJA would be made permanent by the Proposed Senate Tax Bill and includes some additional changes.

Provision	Current TCJA Law	Additional Changes		
Bonus Depreciation <i>Chapter 3, Subchapter A, Sec. 70301</i>	Bonus depreciation for business investment in machinery, equipment, and other short-lived assets is schedule to reduce to 0% by January 2027	Year	Current Law	Proposed Law
		2025	40%	100% (beginning Jan. 19, 2025)
		2026	20%	100%
		2027 Onward	0%	100%
Business Interest Deductions <i>Chapter 3, Subchapter A, Sec. 70303</i>	Business interest expense deduction for a taxable year is generally limited to the sum of (1) The taxpayer's business interest income for the taxable year, (2) 30 percent of the taxpayer's "adjusted taxable income" for the taxable year, and (3) The taxpayer's "floor plan financing interest" for the taxable year. "Adjusted taxable income" is calculated as earnings before interest and taxes (EBIT)	Permanently restores interest deduction limit that was previously in place under TCJA (from 2018 to 2021), retroactive from January 1, 2025, onwards Interest deduction limit is based on earnings before interest, taxes, depreciation, and amortization (EBITDA)		
Other <i>Chapter 3, Subchapters A & B</i>	Other provisions include: <ul style="list-style-type: none"> R&D Expensing International Tax Rates Business Meals 	N/A		

New Provisions: The following are new provisions contained in the Proposed Senate Tax Bill.

Provision	Details
Partial Expensing for Structures <i>Chapter 3, Subchapter A, Sec. 70307</i>	Temporary 100% depreciation for non-residential structures placed into service in the U.S. before January 1, 2031 <ul style="list-style-type: none"> Construction must begin between January 19, 2025, and January 1, 2029 Must be used for "qualified production activity" — manufacturing, refining, agricultural, or chemical production Offices, lodging, parking, and other types of properties are not eligible
Expensing for Small Businesses <i>Chapter 3, Subchapter A, Sec. 70306</i>	Increases Section 179 expensing allowance from maximum of \$1.25M in 2025 to a maximum of \$2.50M in 2025 Increases allowance threshold from \$3.13M to \$4M in 2025 <ul style="list-style-type: none"> Both amounts will be indexed for inflation after 2025
Other	Other provisions include: <ul style="list-style-type: none"> Information reporting Additional tax cuts Low-income housing tax credit Clean fuel production

ADDITIONAL PROVISIONS (PROPOSED SENATE TAX BILL, as of June 17, 2025)

The Proposed Senate Tax Bill contains additional provisions not noted above. Some key provisions are:

- Modification of various international tax provisions (Chapter 3)
- Changes to tax rules for foundations, colleges, universities, and other tax-exempt organizations (Chapter 4)
- Changes to clean energy tax provisions (Chapter 5)
- Net operating losses for pass-throughs (Chapter 6)
- Employee retention tax credit (Chapter 6)
- Earned income tax credit (Chapter 6)

HOUSE OF REPRESENTATIVES PROPOSAL

SUBTITLE A: INDIVIDUAL TAX POLICY (PROPOSED HOUSE TAX BILL, as of May 22, 2025)

Permanent Extensions: The following provisions of TCJA would be made permanent by the proposed bill and include some additional changes.

Provision	Current TCJA Law			Additional Changes	
Income Tax Rates & Brackets <i>Subtitle A, Sec. 110001</i>	Tax Rate	Single	Married	Extra inflation adjustment to the bottom 6 brackets (<i>excludes the 37% bracket</i>)	
	37%	\$626,350 +	\$751,600 +		
	35%	\$626,350– \$250,525	\$751,600– \$501,050		
	32%	\$250,525– \$197,300	\$501,050– \$394,600		
	24%	\$197,300– \$103,350	\$394,600– \$206,700		
	22%	\$103,350– \$48,475	\$206,700– \$96,950		
	12%	\$48,475– \$11,925	\$96,950– \$23,850		
	10%	\$11,925–\$0	\$23,850–\$0		
Standard Deduction <i>Subtitle A, Sec. 110002</i>	Filing Status	Standard Deduction		Extra inflation adjustment (applicable for tax years 2025 to 2028) • \$1,000 for Single • \$2,000 for Married	
	Single	\$15,000			
	Married	\$30,000			
Personal Exemptions <i>Subtitle A, Sec. 110003</i>	Repealed			N/A	
Miscellaneous Itemized Deductions <i>Subtitle A, Sec. 110010</i>	Repealed			N/A	
Mortgage Interest Deduction <i>Subtitle A, Sec. 110008</i>	Limited to \$750,000 of indebtedness			N/A	
State and Local Tax Deduction <i>Subtitle C, Sec. 112018</i>	Limited to \$10,000			Increases limit to \$40,000 (“New Limit”) with phasedown to \$10,000 • New Limit is reduced by 30% of a taxpayer’s modified adjusted gross income (“MAGI”) in excess of \$250,000 (single) / \$500,000 (married), but not below \$10,000 • New Limit & MAGI thresholds will increase by 1% per year from 2026 to 2033	
Qualified Business Income (QBI) Deduction <i>Subtitle A, Sec. 110005</i>	Taxpayers may deduct 20% of qualified business income from a partnership, S-Corporation, or sole proprietorship			Increases deduction to 23% of qualified business income	
Limit on Itemized Deductions <i>Subtitle A, Sec. 110011</i>	Repealed “Pease” limitation			New limitation that reduces value of the following itemized deductions for taxpayers in the 37% bracket	
				Deduction	Percentage Reduced
				State and Local Taxes	5%
	All Other	2%			
Alternative Minimum Tax (AMT) <i>Subtitle A, Sec. 110007</i>	Filing Status	AMT Exemption	AMT Phaseout	Resets base year for indexing from 2017 to 2025	
	Single	\$88,100	\$626,350		
	Married	\$137,000	\$1,252,700		

SUBTITLE A: INDIVIDUAL TAX POLICY (PROPOSED HOUSE TAX BILL, as of May 22, 2025)

Permanent Extensions (continued): The following provisions of TCJA would be made permanent by the proposed bill and include some additional changes.

Provision	Current TCJA Law	Additional Changes												
Gift and Estate Tax Exemptions <i>Subtitle A, Sec. 110006</i>	Exemption amounts as of January 1, 2025 <table><tr><th>Filing Status</th><th>Gift & Estate Tax Exemption</th></tr><tr><td>Single</td><td>\$13,990,000</td></tr><tr><td>Married</td><td>\$27,980,000</td></tr></table>	Filing Status	Gift & Estate Tax Exemption	Single	\$13,990,000	Married	\$27,980,000	Increases exemption amount beginning January 1, 2026 <table><tr><th>Filing Status</th><th>Gift & Estate Tax Exemption</th></tr><tr><td>Single</td><td>\$15,000,000</td></tr><tr><td>Married</td><td>\$30,000,000</td></tr></table>	Filing Status	Gift & Estate Tax Exemption	Single	\$15,000,000	Married	\$30,000,000
Filing Status	Gift & Estate Tax Exemption													
Single	\$13,990,000													
Married	\$27,980,000													
Filing Status	Gift & Estate Tax Exemption													
Single	\$15,000,000													
Married	\$30,000,000													
Qualified Opportunity Zones (QOZ) <i>Subtitle B, Sec. 111102</i>	Taxpayers may reinvest any capital gain into a QOZ <ul style="list-style-type: none">Deferral of tax liability until tax year 2026Basis step-up of 10% if held for at least 5 yearsAdditional basis step-up of 5% if held for at least 7 years Appreciation on QOZ investment is excluded from taxable income if held for at least 10 years <i>*Note: Current TCJA Law was not extended. TCJA's current QOZ period will end early, on December 31, 2026*</i>	Applicable for tax years 2027 to 2033 Allows states to designate new QOZ areas <ul style="list-style-type: none">Establishes new QOZ period beginning January 1, 2027, through December 31, 2033Basis step-up of 10% if held for at least 5 yearsBasis step-up increased to 30% if QOZ is in a “rural area” Taxpayers may reinvest up to \$10,000 of post-tax ordinary income Appreciation on QOZ investment is excluded from taxable income if held for at least 10 years												

New Provisions: The following are new provisions contained in the proposed House tax bill.

Provision	Details
No Tax on Tips <i>Subtitle A, Sec. 110101</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none"> Creates an above-the-line deduction for "qualified tips" — defined as "an occupation which traditionally and customarily receives tips during a given taxable year" No limit Taxpayers do not need to itemize deductions to qualify Phased out for employees with compensation greater than \$160,000 per year (indexed annually for inflation)
No Tax on Overtime <i>Subtitle A, Sec. 110102</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none"> Creates an above-the-line deduction for "qualified overtime compensation" — defined as "compensation paid to an individual in excess of the regular rate" Taxpayers do not need to itemize deductions to qualify Phased out for employees with compensation greater than \$160,000 per year (indexed annually for inflation)
No Tax on Auto Loan Interest <i>Subtitle A, Sec. 110104</i>	Applicable only for tax years 2025 to 2028 <ul style="list-style-type: none"> Creates an above-the-line deduction for "qualified passenger vehicle loan interest" — defined as a passenger vehicle (1) which is manufactured primarily for use on public streets, roads, and highways; (2) which has at least two wheels; (3) which is a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle; and (4) the final assembly of which occurs in the U.S. Limited to \$10,000 overall Taxpayers do not need to itemize deductions to qualify Phased out at modified adjusted gross income (MAGI) of \$100,000 (single) / \$200,000 (married)
Various Tax Credits <i>Subtitle A, Part 2</i>	Expands or extends various other tax credits such as: <ul style="list-style-type: none"> Credit for Employer-Provided Child Care Credit for Employer-Provided Paid Family & Medical Leave; Adoption Credit
Other <i>Subtitle A, Part 2</i>	Creates additional deductions and credits for: <ul style="list-style-type: none"> Increased Standard Deduction for Seniors Charitable contributions to education providers; charitable deductions for non-itemizers Expands list of disasters for which taxpayers may claim a personal casualty loss deduction Creates new tax-advantaged savings accounts for children under age 8 Changes to Health Reimbursement Arrangements and Health Savings Accounts

SUBTITLE B: BUSINESS TAX POLICY (PROPOSED HOUSE TAX BILL, as of May 22, 2025)

TCJA Extensions: The following provisions of TCJA would be extended by the proposed bill and include some additional changes.

Provision	Current TCJA Law	Additional Changes		
Bonus Depreciation <i>Subtitle B, Sec. 11101</i>	Bonus depreciation for business investment in machinery, equipment, and other short-lived assets is scheduled to reduce to 0% by January 2027	Year	Current Law	Proposed Law
		2025	40%	100% (beginning Jan. 19, 2025)
		2026	20%	100%
		2027	0%	100%
		2028	0%	100%
		2029	0%	100%
		2030 Onward	0%	0%
Business Interest Deductions <i>Subtitle B, Sec. 11103</i>	Business interest expense deduction for a taxable year is generally limited to the sum of (1) The taxpayer's business interest income for the taxable year, (2) 30 percent of the taxpayer's "adjusted taxable income" for the taxable year, and (3) The taxpayer's "floor plan financing interest" for the taxable year. "Adjusted taxable income" is calculated as earnings before interest and taxes (EBIT)	Applicable for tax years 2025 to 2029 Restores interest deduction limit that was previously in place under TCJA (from 2018 to 2021) Interest deduction limit is based on earnings before interest, taxes, depreciation, and amortization (EBITDA)		
Other <i>Subtitle B, Part 1</i>	Other provisions include: • R&D Expensing • International Tax Rates • Business Meals	N/A		

New Provisions: The following are new provisions contained in the proposed House tax bill.

Provision	Details
Partial Expensing for Structures <i>Subtitle B, Sec. 111101</i>	Temporary 100% depreciation for non-residential structures placed into service in the U.S. before January 1, 2033 • Construction must begin between January 19, 2025, and January 1, 2029 • Must be used for "qualified production activity" — manufacturing, refining, agricultural, or chemical production • Offices, lodging, parking, and other types of properties are not eligible
Expensing for Small Businesses <i>Subtitle B, Sec. 111103</i>	Increases Section 179 expensing allowance from maximum of \$1.25M in 2025 to a maximum of \$2.50M in 2025 Increases allowance threshold from \$3.13M to \$4M in 2025 • Both amounts will be indexed for inflation after 2025
Other <i>Subtitle B, Part 2</i>	Other provisions include: • Information reporting • Additional tax cuts • Low-income housing tax credit • Clean fuel production

SUBTITLE C: PAY-FORS (PROPOSED HOUSE TAX BILL)

Subtitle C contains provisions for Revenue Raisers (Part 1), Tax Credit Eligibility (Part 2), and Improper Payments and Recapture of Excess Premium Tax Credits (Part 3) — some key provisions are below:

- Modification of various international tax provisions (Part 1, Sections 111004-111005)
- Changes to clean energy tax provisions (Part 1, Sections 112001 to 112016)
- Changes to tax rules for foundations, colleges, universities, and other tax-exempt organizations (Part 1, Sections 112020-112025)
- Net operating losses for pass-throughs (Part 1, Section 112026)
- Employee retention tax credit (Part 3, Section 112205)
- Earned income tax credit (Part 3, Section 112206)

NON-DEPOSIT INVESTMENT PRODUCTS: • ARE NOT FDIC INSURED • ARE NOT BANK GUARANTEED • MAY LOSE VALUE

City National Rochdale's Private Wealth Solutions team specializes in educating and assisting clients with making these important financial decisions with the Comprehensive Wealth Assessment. City National Rochdale's Comprehensive Wealth Assessment is a complimentary, holistic service that focuses on identifying gaps and solutions, and empowers clients to make informed decisions. We pair sophisticated financial tools and modeling techniques with a personal approach to illustrate for you the financial benefits advance planning can help deliver.

To learn more, contact your Financial Advisor. You can also visit us at www.cnr.com, or email us at citynationalrochdale@cnr.com.

Sources:

[Senate Finance Committee Legislative Text Title VII, Pulled June 18, 2025](#)

[United States House Committee on Ways & Means, Pulled June 1, 2025](#)

[Congress.gov, H.R.1 — One Big Beautiful Bill Act 119th Congress \(2025-2026\), Pulled June 1, 2025](#)

[Amendment to Rules Committee Print 119-3 Offered by Mr. Arrington of Texas, Pulled June 1, 2025](#)

IMPORTANT INFORMATION

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