

Provision	House Version	Senate Version	Final Law	Effective Date	Impact
Business Tax Changes					
Bonus Depreciation	Extend 100% bonus depreciation through 2029	Make permanent	Permanent 100% expensing for qualified assets placed in service	Eligible equipment purchased after January 20, 2025	Key benefit to construction & manufacturing firms purchasing large equipment. Cost segregation studies could become more popular.
Bonus Depreciation – QPP	100% depreciation for QPP placed in service after January 19, 2025; phase-outs beginning in 2030	Make permanent	First-year, 100% depreciation for nonresidential real property placed in service before the end of 2030	<ul style="list-style-type: none">Construction beginning between January 20, 2025 and January 1, 2029; placed in service before January 1, 2031Option to elect a reduced bonus of 40-60% for 2022-2025	Reduced taxable income the year assets are placed in service; advantageous for cash flow planning and reinvesting in the business
Charitable Contributions – Corporate	Implements a minimum contribution amount of 1% in taxable income before tax deduction takes effect	Same	Eligible contributions between 1-10% of corporate taxable income	January 1, 2026	Mixed outlook depending on business size; charitable contributions as part of tax planning to remain a priority
Clean Energy Credits	Repeal Inflation Reduction Act (IRA) clean-energy credits, immediate phase-out	Gradual phase-out for certain sectors (solar, wind, electric vehicle (EV) credits)	Phased repeal by 2026	Phased out by December 31, 2026. EV Credits phased out by September 30, 2025	Negatively affects real estate developers using energy efficient incentives
Interest Deductibility	Return to EBITDA-based limit	Same	EBITDA-based limitation restored	January 1, 2025	Positive for leveraged real estate and construction projects
Low-Income Housing Tax Credit (LIHTC)	Increase annual state credit allocations; lower thresholds	Similar but lower increases	Expanded LIHTC, modest boost to allocations	January 1, 2025	Encourages affordable housing development, favorable for real estate
QBI Deduction (199A)	Make pass-through deduction permanent and increase deduction to 23%	Make pass-through deduction permanent and maintain deduction at 20%	Permanent pass-through deduction and maintain deduction at 20% of qualified business income	January 1, 2025	Major win for pass-through entities as this provision is a very valuable tax deduction for many taxpayers
R&D Expensing	Immediate and permanent full expensing for domestic R&D	Same	Permanent full expensing	January 1, 2025	Benefits manufacturing, construction, and other industries investing in innovation
Section 179 Expensing	Raise expensing limit to \$2.5M; increase phase-out threshold	Similar	Expanded expensing limits permanently	January 1, 2025	Immediate benefit for small-to-mid size businesses and one of the most popular business tax provisions
Small Business Stock (QSBS)	Expand capital gain exclusion for qualified investments	Similar	Expanded gain exclusion and higher thresholds	January 1, 2025	Encourages VC/PE investment in small businesses

Individual Tax Changes

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Charitable Contributions	\$150 (single) or \$300 (joint) deduction for contributions; expiration at the end of 2028	Make permanent; introduction of a 0.5% minimum contribution amount for itemizers	Non-itemized returns: \$1,000 (single)/\$2,000 deduction Itemized returns: 0.5% floor of adjusted gross income (AGI) before contributions can be itemized Contributions to donor-advised funds are ineligible Deduction limits for high earners	January 1, 2026	More consistent planning for charitable contributions and potentially more limitations for high earners; mixed outlook for charitable organizations and foundations
Child Tax Credit	Increase to ~\$2,700 per child; refundable; indexed for inflation	Slightly lower amount; refundable	Increased credit of \$2,200, expanded through 2028	January 1, 2025	Increases disposable income for taxpayers with families
Gambling Loss Deduction	N/A	Deduct up to 90% of losses (instead of the current 100%)	Tax deduction for gambling losses capped at 90%	January 1, 2026	Lower tax benefit for bettors, especially high-volume gamblers
Overtime & Tip Income Deduction	Excludes overtime and tips from taxable income up to \$12,500 (single) or \$25,000 (joint)	Same – temporary deductions for both tips and overtime pay from 2025-2028	Above the line deduction for tips and overtime pay with income phase outs starting at \$150K (single) or \$300K (joint) in modified adjusted gross income (MAGI)	January 1, 2025	Strong win for hourly laborers in industries like construction, manufacturing, and hospitality
SALT Cap	Raise cap from \$10K to \$40K through 2029	Keep \$10K cap	\$40K SALT cap, temporary	January 1, 2025 – December 31, 2029	Huge benefit to taxpayers in high-tax states
Standard Deduction	Permanently increase standard deduction	Same	Increased permanently	1-Jan-25	More take-home pay for middle-class workers
Trump Accounts (Minor Savings)	Tax-advantaged accounts for children; flexible use cases	Same	New savings vehicle for minors	1-Jan-25	Encourages generational wealth planning for taxpayers
1031 Like-Kind Exchange	No direct proposal	Suggested minor restrictions	Remains unchanged	N/A (unchanged)	Real estate investors retain key deferral mechanism for property exchanges

Estate and Gift Tax Planning

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Estate & Gift Tax Exemption	Raise estate, gift, and GST exemption to \$15 million per individual (indexed); permanent	Similar increase to \$15 million; favored indexing and permanency	Exemption increased to \$15 million per individual (indexed for inflation); permanent	January 1, 2026	Significantly expands tax-free wealth transfer capacity; reduces estate tax exposure for families with business, real estate, or investment holdings; key benefit for multigenerational planning