



2026 ONE BIG BEAUTIFUL BILL

KEY CHANGES AT A GLANCE

Tax Provision	New 2026 Rules	Previous Law
Bonus Depreciation	Remains at 100% permanently for qualifying new and used property acquired and placed in service after January 19, 2025.	100% permanently for qualifying new and used property acquired and placed in service after January 19, 2025.
R&D Expensing (Sec. 174)	Allows immediate expensing (deduction in the same year) for domestic R&E costs, reversing The TCJA's 5-year amortization rule; however, Foreign R&E expenses remain subject to 15-year Amortization	5-year amortization for U.S.; 15-year amortization for foreign
Manufacturing Facilities	Businesses can still fully deduct qualifying new and used property in the first year using 100% Bonus depreciation	Full expensing for qualifying structures (Sec. 168(n))
Energy-Efficient Buildings (179D)	Energy-efficient commercial building deduction ends for construction starting after June 30, 2026	Up to \$5.81/sq ft benefit
Efficient Home Credit (45L)	Ends for homes acquired after June 30, 2026	Up to \$5,000 per unit
SALT Deduction Cap	Increases to \$40,400 (or \$20,200 for married filing separately) for most itemizers phases down for higher earners, starting to reduce by 30% for MAGI over \$505,000 and reverting to the original \$10,000 limit in 2030	\$40,000 cap, phases out above \$500K income (married)
Section 179 Expensing	Allows a max deduction of \$2.56 million phasing out as total equipment purchases exceed \$4.09 million	\$2.5 million limit; \$4 million phaseout; inflation reset to 2024
Pass-Through Entity Tax (PTET)	Allows eligible partnerships and S-corps to pay state income tax at the entity level, deducting it fully for federal purposes and bypassing the \$10,000 SALT deduction cap	Same, but bypassed \$10K cap

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199A Deduction	20% deduction remains permanent	20% deduction made permanent
Interest Deduction (163j)	Interest deduction limit remains on an EBITDA-based calculation	Based on EBITDA
Clean Energy Credits (48E / 45Y)	Ends for solar and wind projects starting 12+ months post-enactment and placed in service after 2027	Available through 2032
Advanced Manufacturing Credit	Construction of eligible facilities must begin by December 31, 2026, to qualify. Credit rate currently 25% of qualified investment, but a proposed Senate bill might increase it to 30%	35% credit (semiconductor and semiconductor equipment manufacturing facilities.)
Estate Tax Exemption	\$15 million/person (\$30 million married)	\$13.99 million
Standard Deduction	Increases to \$32,200 (Married filing jointly) \$16,100 (Single & Married filing separately), \$24,150 (Head of household)	\$15,750 (single) / \$31,500 (married)
Child Tax Credit	Max of \$2,200 per qualifying child, with up to \$1,700 of that being refundable	\$2,000 per child

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Tax-Free Tips & Overtime	<p>Up to \$25,000 in tips and the “half” of time-and-a-half overtime pay (up to \$12,500 Single/\$25,000 joint); phasing out for single filers earning over \$150,000 MAGI (\$300,000 joint filers)</p> <p>The extra “half” of time-and-a-half pay (for example 1.5x pay, deduct the 0.5x part) up to \$12,500 (single) or \$25,000 (joint); phases out at \$150,000 (single)/\$300,000 (joint)</p>	<p>Up to \$25,000 excluded; phases out > \$150k (\$300k for joint filers)</p> <p>Overtime up to \$12,500 (\$25,000 for joint filers); phases out \$150k (300k for joint filers)</p>
Auto Loan Interest Deduction	<p>Up to \$10,000 of interest paid annually, reducing taxable income for loans signed after Dec 31, 2024. Deduction phases out for MAGI over \$100,000 (single) or \$200,000 (joint)</p>	<p>Up to \$10,000 for U.S. vehicles; phases out > \$100k (\$200k for joint filers)</p>
Adoption Credit	<p>\$17,670 per child, with up to \$5,120 of that amount being refundable. Begins to phase out at MAGI over \$265,080, phasing out completely at \$305,080</p>	<p>\$5,000 refundable portion inflation-adjusted</p>
Senior Deduction	<p>Up to \$6,000 per qualifying individual 65+, Phase out begins at \$75,000 (single)/150,000 (joint). Full phase-out at \$175,000 (single)/\$250,000 (joint). Reduced by 6 cents for each dollar over the threshold</p>	<p>\$1,600 for 65+</p>
1099-K Reporting threshold for third-party networks (like Venmo or Paypal)	<p>Over \$20,000 and more than 200 transactions Any amount, even \$1 can trigger a 1099-K</p>	<p>\$2,500 threshold</p>

Important Disclosures: Content in this material is for educational and general information only and not intended to provide specific advice or recommendations for any individual.

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