



ONE, BIG, BEAUTIFUL BILL ACT

What could it mean for you on your 2025 tax return?

- **No Tax on Tips**

- “Qualified Tips” are voluntary cash or charged tips received from customers or through tip sharing.
- Maximum annual deduction is \$25,000 and phases out with modified adjusted gross income over \$150,000 (\$300,000 for joint filers)
- Taxpayer Eligibility: deduction is available for both itemizing and non-itemizing taxpayers.

- **No Tax on Overtime**

- Individuals may deduct the “half” portion of “time and a half” that is reported on their W-2.
- Maximum annual deduction is \$12,500 (\$25,000 for joint filers)
- Deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers)

- **No Tax of Car Loan Interest**

- Maximum annual deduction is \$10,000.
- Deduction phases out for taxpayers with modified adjusted gross income over \$100,000 (\$200,000 for joint filers)
- Qualified interest-to qualify for the deduction, the interest must be paid on a loan that is:
 - Originated after December 31, 2024
 - Used to purchase a vehicle, the original use of which starts with the taxpayer (used vehicles do not count)
 - For personal use (not for business or commercial use)
 - Secured by a lien on the vehicle
- Qualified vehicle – A qualified vehicle is a car, minivan, van SUV, pickup truck or motorcycle, with a gross vehicle weight rating of less than 14,000 pounds, and THAT HAS UNDERGONE FINAL ASSEMBLY IN THE UNITED STATES
- **The VIN number will be required for your tax return.**
- Deduction is available for both itemizing and non-itemizing taxpayers

- **Deduction for Seniors**

- Individuals who are age 65 or older may claim an additional deduction of \$6,000 (\$12,000 for joint filers)

- Deduction phases out for taxpayers with modified adjusted gross income over \$75,000 (\$150,000 for joint filers)
- **SALT (State and local tax deductions)**
 - The deduction has increased from \$10,000 to \$40,000. This would be state tax paid in 2025 and real estate taxes as well as personal property taxes on vehicles. Many taxpayers who could not itemize in the past because of the \$10,000 limit will be able to itemize in 2025. **If you think you may be able to itemize, bring the total for your medical bills (if over 7 ½ % of your income), mortgage interest and contributions.**
- **Child tax credit**
 - Increased to \$2200 per child, under 16.
- **Trump Account**
 - **Eligible babies born in 2025-2028:** will receive a \$1,000 seed contribution from the U.S. Treasury. (MUST be a US citizen and have a social security number.)
 - **Older children (under age 10):** Eligible kids receive a \$250 contribution, thanks to philanthropic gifts. (go to trumpaccounts.gov for details to enroll)
 - **Children under 18 who don't qualify for either seed:** Their account will start at \$0, but parents, caregivers and employers can still make contributions at any time to help build savings for the future.