





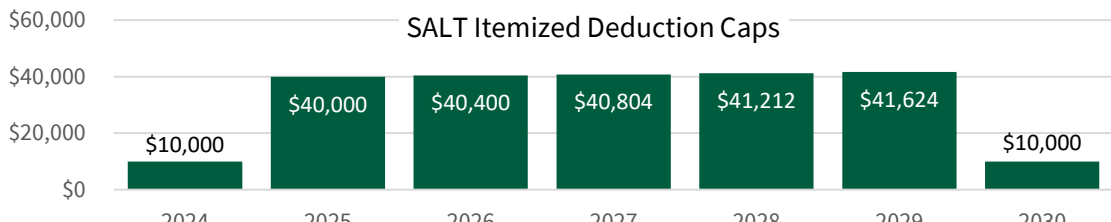








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One Big Beautiful Bill Act - Highlights of Individual Taxpayer Provisions

This summary is intended to give highlights of provisions affecting individual taxpayers in the nearly one-thousand-page One Big Beautiful Bill Act, enacted on July 4, 2025. The legislation includes many other changes including business tax provisions, international tax provisions, energy incentives, housing, and compliance measures that are not summarized here.

Individual Tax Provisions	Summary																
TCJA Act tax rates and brackets	 <p>Current individual income tax brackets have been made permanent, avoiding the sunset of many Tax Cuts and Jobs Act provisions.</p>																
Standard deduction	<p>The standard deduction is increased to \$31,500 for married joint filers, \$23,625 for heads of households, and \$15,750 for all other filers in 2025 and is inflation-adjusted thereafter.</p> <div>  \$31,500 </div> <div>  \$23,625 </div> <div>  \$15,750 </div>																
Deduction for seniors	<p>There is a new \$6,000 deduction for both itemizing and non-itemizing seniors that phases out when modified adjusted gross income exceeds \$75,000 (single filers) or \$150,000 (married joint filers). It is only available from 2025 to 2028.</p>  +\$6,000																
Child tax credit	 \$2,200 <p>The child tax credit is now permanent, with an increased maximum of \$2,200 per child in 2026 and inflation-adjusted thereafter.</p>																
SALT (state and local taxes) deduction	<p>The cap on the itemized deduction for state and local taxes (SALT) increases to \$40,000 in 2025, with subsequent 1% increases from 2026 to 2029, and begins phasing out for taxpayers with modified adjusted gross income (MAGI) over \$500,000 (also growing at 1% from 2026-2029). After 2029 the cap reverts to \$10,000 and the MAGI income limit is removed.</p> <p style="text-align: center;">SALT Itemized Deduction Caps</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Cap Amount</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>\$10,000</td> </tr> <tr> <td>2025</td> <td>\$40,000</td> </tr> <tr> <td>2026</td> <td>\$40,400</td> </tr> <tr> <td>2027</td> <td>\$40,804</td> </tr> <tr> <td>2028</td> <td>\$41,212</td> </tr> <tr> <td>2029</td> <td>\$41,624</td> </tr> <tr> <td>2030</td> <td>\$10,000</td> </tr> </tbody> </table>	Year	Cap Amount	2024	\$10,000	2025	\$40,000	2026	\$40,400	2027	\$40,804	2028	\$41,212	2029	\$41,624	2030	\$10,000
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Individual Tax Provisions	Summary
Charitable deductions	 <p>There is a new 0.5% <u>floor</u> on itemized charitable contributions as well as a permanent \$1,000 above-the-line deduction for charitable contributions (\$2,000 for joint filers) available to those using the standard deduction.</p>
“Trump” Accounts	<p>A new tax-favored investment account type is available for children born between 2025 and 2028. The federal government will seed the account with \$1,000 for each of these children. Parents and others may contribute additional funds (up to \$5,000 annually). Balances grow tax-deferred and are eligible for long-term capital gains tax rates upon withdrawal. Monies can be withdrawn after the child reaches 18 years of age and can be used for education, job training, or a home downpayment. Employers may also make tax-free contributions for the benefit of their employees’ qualifying dependents.</p>  <p>\$1,000</p>
Tip income	<p>There is a new deduction of up to \$25,000 for tip income for individuals in traditionally and customarily tipped industries for tax years 2025 through 2028. This is an above-the-line deduction available to all filers, regardless of taking the itemized or standard deduction. It phases out at a 10% rate once adjusted gross income exceeds \$150,000 (\$300,000 for joint filers).</p> 
Overtime income	 <p>There is a new deduction of \$12,500 (\$25,000 for joint filers) for overtime compensation for tax years 2025 through 2028. This deduction begins phasing out at a 10% rate when adjusted gross income exceeds \$150,000 (\$300,000 for joint filers).</p>
Auto loan interest	<p>There is a new auto loan interest deduction for itemizers and non-itemizers limited to \$10,000 for tax years 2025 through 2028. It phases out at a 10% rate when income exceeds \$100,000 (\$200,000 for joint filers). To qualify, the car must be assembled in the United States.</p> 
Estate and lifetime gift exemption	 <p>The estate and lifetime gift exemption has been permanently increased to \$15 million for each taxpayer, thereby avoiding the sunset of the increased amount that was scheduled to occur in 2026.</p>

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Consult with a COUNTRY Trust Bank® Financial Advisor

New tax legislation, such as the One Big Beautiful Bill Act, provides an opportunity to revisit your financial plan, including your retirement and estate plan, as well as to discuss other issues such as planning for children's future educational needs. You should consult with your tax advisor for questions on your personal tax situation.

This information is not intended as and should not be construed to provide tax or legal advice. It is intended as an educational starting point to help you better understand an array of common tax-related aspects. COUNTRY Trust Bank and its employees do not provide tax advice, nor should you use the information here to advise clients or prospects on their personal tax situation. This information may omit some important aspects of tax or legal conditions the client or prospect may face, which is why you should always recommend that they seek out the advice of qualified tax or legal professionals of their own choosing.

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