



April 1, 2026

## The Big Beautiful Bill: What It Means for Your Wallet

As Tax Day 2026 approaches, the "One Big Beautiful Bill" (OBBBA) is no longer just a headline. Signed last July, this bill extended old perks and introduced brand-new ways to save that apply to the taxes you're filing right now.

Here is a summary of how your wallet is affected:

### The Tax Bracket Updates

- **Tax Brackets are Locked In:** The seven tax brackets (ranging from 10% to 37%) are now permanent
- **Standard Deduction:** This remains at the higher levels we've grown used to. For 2025, it's \$15,750 for singles and \$31,500 for married couples
- **Estate Tax Protection:** For our legacy planners, the estate tax exemption has been bumped to \$15 million per person (\$30 million for couples) starting in 2026. This is a huge win for passing down wealth to the next generation

### The SALT Shake-Up

- The \$10,000 cap on State and Local Tax (SALT) deductions has been a pain point for homeowners
- For the 2025 tax year, the cap has been raised to **\$40,000** for anyone earning under \$500,000
- By stacking your mortgage interest on top of the newly expanded \$40,000 SALT limit, many homeowners will be able to increase their itemized deduction

### The Side Hustle & Senior Wins

Several new deductions are live for 2025 through 2028:

- **No Tax on Tips:** Tipped workers can deduct up to \$25,000 in qualified tips
- **Overtime Relief:** You can deduct the extra half-time pay earned from hourly overtime up to \$12,500
- **Senior Bonus:** 65 & older get an additional \$6,000 deduction on top of the standard one

### The "Made in America" Car Perk

- Buying a new car? If the vehicle underwent final assembly in the U.S., you can now deduct up to \$10,000 in loan interest if you financed the purchase
- This applies only to new cars purchased after the bill was signed in July 2025