MARATHON
FINANCIAL STRATEGIES

Unlocking Opportunities in the New Tax Law: What the One Big Beautiful Bill Could Mean for You

Congress recently passed a sweeping tax bill—the One Big Beautiful Bill Act—extending many provisions of the 2017 tax cuts and adding new deductions for individuals and businesses. Some changes take effect this year, while others begin in 2026.

While the bill offers new opportunities for tax savings, it also adds complexity. Discover how to take advantage of the changes in these areas to better position your portfolio and your tax situation.

Tax Brackets and Standard Deduction

The law makes the current seven tax brackets (10%, 12%, 22%, 24%, 32%, 35%, and 37%) **permanent.**

The standard deduction is also permanently increased to $15,750 (single) and $31,500 (married couples filing jointly).

What this means to you:

• More clarity for long-term tax planning.

• Most filers will continue to benefit from lower marginal rates and a higher standard deduction.

Action Items:

• Consider Roth conversions during low-income years to lock in lower tax rates

• Review tax bracket projections to optimize timing of income, deductions, and distributions

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State and Local Tax (SALT) Deduction

Starting in 2025, the SALT deduction limit increases from $10,000 to **$40,000**, adjusted annually through 2029, then reverting to $10,000.

What this means to you:

If you itemize deductions and live in a high-tax area or pay significant property taxes, this may allow you to deduct a larger portion of your state and local taxes.

For example, if you pay $12,000 in property taxes and $14,000 in state income taxes, you'd now be able to deduct the full $26,000 (rather than being capped at $10,000), as long as you itemize.

Action Items:

• Run a projection to compare the benefit of itemizing vs. taking the standard deduction

• Consider bunching charitable and other deductions to maximize itemized years

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Bonus Deduction for Seniors (65+)

From 2025 to 2028, seniors can claim a **$6,000 bonus deduction**, but it phases out for high-income earners. While the bill doesn't eliminate taxes on Social Security benefits, this deduction may help offset them for some.

What this means to you:

This deduction may help reduce taxable income or offset tax on Social Security, but high-income seniors may not qualify.

Action Items:

• If eligible, incorporate the deduction into your retirement distribution strategy

• Work with us to manage MAGI below phaseout thresholds if possible

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Child & Family Tax Credits and Accounts

Child Tax Credit increases to **$2,200 per child** in 2025 ($1,400 of it remains refundable), but it phases out for high-income earners.

Dependent Care Credit limit increases to **$7,500**.

Trump Accounts (2025–2028): $1,000 federal contribution at birth for eligible children, plus up to $5,000/year in tax-deferred contributions.

What this means to you:

Families with children may receive enhanced tax credits and new savings opportunities for future education, business, or home expenses.

Action Items:

• Update your tax projections for 2025 to reflect new credit limits

• Consider opening Trump Accounts for eligible children

Car Loan Interest Deduction (2025-2028)

Deduct up to **$10,000/year** in interest on new U.S.-assembled vehicle loans (phases out for high-income earners).

What this means to you:

A new way to save on taxes without itemizing if you finance a qualifying vehicle.

Action Items:

• Time vehicle purchases for when deductions are available and within income limits

• Save loan documentation in case it's needed for filing

Charitable Giving

Non-itemizers can deduct up to $1,000 (single) / $2,000 (joint) starting in 2026.

For those who itemize, deductions will be reduced by 0.5% of Adjusted Gross Income (AGI). If, for example, a couple that itemizes has an AGI of $100,000, only donations above $500 are deductible.

What this means to you:

More people can deduct charitable gifts without itemizing.

High-income itemizers may see reduced tax benefits.

Action Items:

• Reevaluate giving strategies—consider donor-advised funds or appreciated securities

• Track AGI for purposes of charitable deduction planning

For Business Owners

The 20% **Qualified Business Income (QBI) deduction** is now permanent.

100% capital expensing returns for equipment and factory construction started after Jan 2025.

Enhanced Qualified Small Business Stock (QSBS) exclusion and thresholds.

What this means to you:

Pass-through business owners and C-corp founders may see ongoing tax savings and more favorable treatment of startup equity.

Action Items:

• Reevaluate entity structure and QBI eligibility

• Consider planning around QSBS stock acquisitions or exits

Estate and Gift Tax exemption

Beginning in 2026, exemption increases to **$15 million/individual and $30 million/couple.**

What this means to you:

High-net-worth individuals can transfer more wealth tax-free and maintain step-up in basis on inherited assets.

Action Items:

• Review estate documents, beneficiary designations, and gifting strategies

• Explore use of trusts, GRATs, or IDGTs to leverage exemption

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Education and Student Loan Changes

529 Plans usage expanded.

K–12 withdrawal limit increases to $20,000/year starting in 2026.

New tax credit of up to $1,700 for donations to qualifying Scholarship Granting Organizations (SGOs), beginning in 2027. This credit is nonrefundable and available even if you don't itemize.

Revised federal **student loan options and borrowing limits.**

What this means to you:

Families gain more flexibility in using 529 funds and supporting education through donations.

Action Items:

• Adjust 529 plan funding strategy and withdrawal plans

• Evaluate SGO donations for potential tax credit

Health Savings Accounts (HSAs)

Starting in 2026, more types of health plans will qualify for HSA contributions, expanding eligibility beyond traditional high-deductible plans.

What this means to you:

More people will qualify to open HSAs and use them for a wider range of health-related costs.

Action Items:

• Revisit your health plan options during open enrollment in 2026

• Maximize HSA contributions and track qualified medical expenses

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Housing and Mortgage

Mortgage interest deduction capped at **$750,000** of acquisition debt.

Home equity loan interest no longer deductible.

Certain mortgage insurance premiums will be treated as deductible interest starting in 2026.

What this means to you:

Rules are locked in, giving more predictability for homeowners.

Action Items:

• Review your mortgage and home equity structure

• Retain insurance documentation if claiming mortgage insurance premiums

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Eliminated or Limited Deductions

Miscellaneous itemized deductions, such as **unreimbursed employee expenses** and **tax preparation fees**, are **permanently eliminated.**

New exception for **educator unreimbursed expenses** introduced.

Energy Credit Rollbacks

Most green energy tax credits—like those for electric vehicles and home efficiency improvements—will end in 2025.

What this means to you:

If you're considering home energy upgrades or electric vehicles, tax credits will disappear soon.

Action Items:

• Complete qualifying purchases and installations soon

Looking Ahead

Some of these tax changes are temporary and set to expire after 2028, while others are permanent—though Congress can always make changes in the future. And while many households will see some tax relief, the most significant gains go to high-income earners and business owners.

Want help navigating how these changes may impact your own situation, estate plan, or tax strategy? Click below to schedule a time to meet or reply to this email with any questions.

Schedule a Meeting

Meet Chrystal Blue, Our Interim Client Service Associate

Our wonderful assistant, Samantha Mitchell, will soon be welcoming a new baby! While Sam is out on maternity leave, we're excited to introduce **Chrystal Blue**, who will be stepping in to support our clients during this time.

Chrystal brings more than 15 years of experience in financial operations and planning, including the past 5 years supporting advisors at Integrated Financial Group. She holds a Bachelor's degree in Business Administration and Behavioral Science and is known for her professionalism, efficiency, and warm approach to client service.

Based in Atlanta, Chrystal is a travel enthusiast, lifelong learner, and part of a big, lively family. When she's not helping clients or keeping up with the latest financial trends, she's often working on her next novel.

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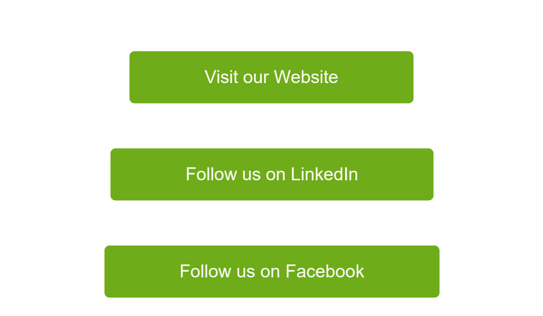
Please join us in giving Chrystal a warm welcome to the Marathon Financial Strategies team!



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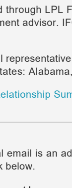

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Schedule a Meeting or Call