

HOBBS GROUP ADVISORS

REGISTERED INVESTMENT ADVISOR

OBBBA Taxpayer Checklist

Use this checklist to prepare for the tax changes introduced by the One Big Beautiful Bill Act (OBBBA). Review each section and take the recommended actions before year-end or as specified.

State and Local Tax (SALT) Deductions

- Gather receipts for state and local income, real estate, and personal property taxes.
- For tax year 2025, the SALT deduction cap rises from \$10,000 to \$40,000.
- Confirm your income does not exceed the \$500,000 phaseout threshold for this deduction (single or joint).
- Factor the new cap into your year-end tax planning for 2025.

Charitable Contributions

- Make charitable contributions before December 31 to qualify for a 2025 deduction.
- If taking the standard deduction, you can still deduct up to \$1,000 (single) or \$2,000 (joint) in 2025.
- For large donations, consult your tax advisor about the new limitation formula.
- Retain acknowledgement letters from charities to support your deduction.

529 Plan Changes

- Review qualified expenses: beginning in 2025, include admission exams, tutoring, educational therapies, and college application fees.
- Also starting in 2025, 529 funds cover post-secondary professional credentialing expenses.
- Beginning in 2026, the annual K-12 limit doubles to \$20,000 (from \$10,000).
- Plan contributions and withdrawals to take advantage of expanded expenses and higher caps.
- Coordinate 529 usage with other educational payments and tax planning strategies.

Other Deductions: Social Security, Overtime, Tips, and Auto Loans

- If age 65 or older, claim the Senior Deduction: an extra \$6,000 deduction in 2025, subject to phaseout based on income.
- Overtime deduction: \$12,500 (single) / \$25,000 (joint) in 2025; subject to phaseout at \$150,000 (single) or \$300,000 (joint).
- Tips deduction: \$25,000 for all filers in 2025; subject to the same phaseout thresholds as overtime.
- Auto loan interest deduction: up to \$10,000 for new loans in 2025; phases out at \$100,000 (single) or \$200,000 (joint).
- Confirm eligibility for these provisions regardless of itemizing status—they apply to all taxpayers starting 2025.

Final Steps

- Consult with your tax advisor to verify how these changes affect your individual situation.
- Validate projected income relative to phaseout thresholds for multiple provisions.
- Organize documentation and plan contributions or actions before applicable deadlines.
- Stay informed about additional guidance or updates to OBBBA provisions as 2025 approaches.