



The Big Beautiful Bill, passed last month, introduced several tax changes that significantly impact businesses. To help you navigate these updates, here's a concise list of key provisions effective in 2025 and beyond, tailored for business owners:

Research & Development Expense Relief (Effective: 2025 and beyond)

- ◆ Immediate expensing for domestic R&D expenses is permanently restored. Small businesses with gross receipts of \$31 million or less can retroactively expense R&D back to after 12/31/21. All other domestic R&D between 12/21/21 and 1/1/25 can accelerate remaining deductions over a one- or two-year period.

Business Interest Deduction Enhancement (Effective: 2025 and beyond)

- ◆ The EBITDA-based limitation on business net interest deductions is permanently reinstated, providing more favorable treatment than the current taxable income limitation.

Bonus Depreciation Restoration (Effective: 2025 and beyond)

- ◆ 100 percent bonus depreciation for short-lived investments is permanently restored, allowing immediate deduction of qualifying asset costs.

Structures Expensing Opportunity (Effective: 2025-2031)

- ◆ Temporary 100 percent expensing of qualifying structures with construction beginning after Jan. 19, 2025, and before Jan. 1, 2029, and placed in service before Jan. 1, 2031.

Section 199A Pass-Through Deduction Enhancement (Effective: 2025 and beyond)

- ◆ The 20% pass-through deduction is now permanent with expanded phase-in ranges (\$50,000 increase for non-joint returns, \$100,000 for joint returns) and a new minimum \$400 deduction for material participants with \$1,000+ of qualified business income.



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Clean Energy Credit Changes (Effective: 2027/2030)

- ♦ Clean electricity production credit (45Y) and investment credit (48E) eliminated for projects placed in service after 2027, with exceptions for projects beginning construction within 12 months and baseload power sources. Clean fuel production credit (45Z) extended until 2030 with expanded eligibility.

Foreign Entity Restrictions (Effective: 2025 and beyond)

- ♦ New restrictions related to foreign entities of concern (FEOC) introduced for multiple energy credits, including nuclear production, clean fuel production, carbon sequestration, and advanced manufacturing credits.

Energy Partnership Income Expansion (Effective: 2025 and beyond)

- ♦ Income from hydrogen storage, carbon capture, advanced nuclear, hydropower, and geothermal energy now qualifies for certain publicly traded partnerships treated as C corporations.

Intangible Drilling Cost Changes (Effective: 2025 and beyond)

- ♦ Intangible drilling and development costs must now be considered when computing adjusted financial statement income.

These changes offer significant opportunities for tax planning and cash flow improvement. Please reach out to discuss how these provisions can benefit your business's tax strategy moving forward or any questions around the Big Beautiful Bill.



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