Individual key provisions		
Tax provision	**Current law (2017 - 2024)**	**Effective 2025 (Changes effective after 2025 are highlighted grey)**
Tax Treatment of Tips	Tips are taxable income.	Allows a deduction for qualified tips (excludes highly compensated employees, which is $160,000 for 2025 under Sec. 414 and Notice 2024-80) received in certain occupations (as defined by Treasury); deduction ends after 2028; SSN required., however it limits the benefit to $25,000 per taxpayer. The bill would also begin to phase out the deduction when the taxpayer's modified adjusted gross income exceeds $150,000 ($300,000 for MFJ) and would expire in 2028.
Tax Treatment of Overtime	Overtime pay is taxable income.	Allows a deduction for qualified overtime compensation (excludes highly compensated employees and tips); deduction ends after 2028; SSN required., however it limits the benefit to $12,500 per taxpayer, subject to an income limitation.
Enhanced deduction for seniors ("Tax Treatment of Social Security" for age applicable taxpayers)	Additional standard deduction for age 65+	Allows an additional deduction of $6,000 for seniors - those aged 65 or older; however, the deduction is phased out at higher incomes. The deduction will expire in 2028.
Individual income tax rates	Tax Cuts and Jobs Act (TCJA) rates (lowered rates) expire after 2025; rates revert to pre-TCJA levels. Seven tax brackets: 10%, 12%, 22%, 24%, 32%, 35% and 37%. Bracket thresholds are adjusted annually for inflation.	Makes TCJA rates permanent. All brackets continue to be indexed for inflation after 2025. Also adds an additional year of inflation adjustment to the end of the 10% and 12% brackets (where the 22% bracket begins).
Standard deduction	Increased standard deduction (TCJA) expires after 2025; reverts to lower pre-TCJA levels.	Permanently increases the standard deduction. Effective as of Jan. 1, 2025: Single & MFS: $15,750 (indexed) HoH: $23,625 (indexed) MFJ: $31,500 (indexed)
State and local tax (SALT) cap	$10,000 cap.	The SALT provision retroactively increases the individual limit from $10,000 to $40,000 for 2025 and $40,400 for 2026, followed by 1% increases for 2027, 2028, and 2029. Beginning in 2030, the cap would revert to $10,000. Such deduction would also be subject to a phaseout for MAGI greater than $500,000 in 2025, $505,000 in 2026, and similar 1% increases thereafter, but the deduction would not be reduced below $10,000. Additionally, there would be no SALT limitation for pass- through entities.

Individual key provisions		
Tax provision	**Current law (2017 - 2024)**	**Effective 2025 (Changes effective after 2025 are highlighted grey)**
Direct File Program	IRS Direct File pilot in place.	The revised bill drops the requirement that the Direct File program is terminated within 30 days of enactment but includes a special appropriation of $15 million for a report on enhancing and establishing public-private partnerships to provide for free tax filing for up to 70% of taxpayers.
Sec. 25C, Energy Efficient Home Improvement Credit	30% of qualified costs, $1,200 annual limit, expires 2032.	Terminates for property placed in service after Dec. 31, 2025.
Sec. 25D, Residential Clean Energy Credit	30% of qualified costs, phases down after 2032, expires 2034.	Terminates for property placed in service after Dec. 31, 2025.
Sec. 25E, Previously Owned Clean Vehicle Credit	Up to $4,000, expires 2032.	Terminates for expenditures made after Sept. 30, 2025.
Personal exemptions	Suspended for 2018–2025; allowed in 2026.	Permanently terminates deduction for personal exemptions.
Mortgage interest deduction	$750,000 acquisition indebtedness limit (TCJA) expires after 2025.	Makes $750,000 limit permanent, however the bill also includes mortgage insurance premiums.
Home equity debt	Interest on home equity debt is not deductible (if the loan proceeds were used to buy, build or substantially improve the taxpayer's home that secures the loan it is acquisition debt, not home equity debt). This disallowance applies through 2025.	The disallowance of home equity debt interest expense is made permanent.
Moving expenses deduction	Suspended 2018–2025 (TCJA) (except for Armed Forces); reinstated in 2026.	Permanently terminates deduction (except for Armed Forces).
Charitable deduction for non-itemizers (Cash deductions only)	Not available after 2021.	The bill creates a charitable contribution deduction of $1,000 for single filers or $2,000 for MFJ for certain charitable contributions. The deduction is permanent, however it starts after 2025.
Charitable deduction for individuals who itemize floor (Cash deductions only)	Taxpayers who itemize can deduct a portion of their qualified charitable contributions, subject to a specified limitation based on the type of contribution. (Separate ceiling change noted below.)	The bill would limit the charitable deduction for taxpayers who itemize by providing a deduction only for charitable contributions to the extent that they exceed 0.5% of the taxpayer's contribution base. This floor starts for tax years beginning after December 31, 2025. (Separate ceiling change noted below.)
Charitable deduction for individuals who itemize ceiling (Cash deductions only)	Taxpayers who itemize can deduct a portion of their qualified charitable contributions, subject to a ceiling of 60% of their "contribution base" (generally AGI) that was slated to expire after 2025 and revert to a ceiling of 50% of their contribution base.	Makes permanent the 60% of contribution base for taxpayers for tax years beginning after December 31, 2025.
No tax on car loan interest	Personal interest on car loans not deductible.	Allows deduction for up to $10,000 of interest on new car loans (2025–2028); must be US- assembled passenger vehicles with the vehicle serving as security for the loan.

Individual key provisions		
Tax provision	**Current law (2017 - 2024)**	**Effective 2025 (Changes effective after 2025 are highlighted grey)**
Miscellaneous itemized deductions	Suspended 2018–2025 (TCJA); Reinstated in 2026.	Permanently terminates deduction; however, the bill removes unreimbursed employee expenses for eligible educators from the list of miscellaneous itemized deductions.
Alternative Minimum Tax (AMT) exemption	Higher exemption and phase-out thresholds (TCJA) expire after 2025.	Makes higher exemption and phase-out thresholds permanent. The bill preserves TCJA's AMT exemption amounts but increases the phase-out rate to 50% (vs. 25% under current law), steepening the claw-back for upper-income filers.
Child Tax Credit (CTC)	$2,000 per child (TCJA), reverts to $1,000 after 2025	Permanent increase of $2,200 per child, with $1,700 refundable with inflation adjustments. Requirements for Social Security numbers (SSNs) are expanded to also require for the child and the person claiming the CTC. However, if the taxpayer is married, only one spouse needs to report their SSN.
Other Dependent Credit	Provides non-refundable credit of $500 per qualifying dependent who does not qualify for the CTC (e.g., older children, elderly parents), set to expire after 2025.	$500 credit is made permanent and the requirement that the dependent be a resident of the US continues; no inflation adjustment.
Earned Income Tax Credit (EITC)	Taxpayers may claim the EITC for qualifying children without formal verification. Form 8867, *Paid Preparer's Due Diligence Checklist* , is required for paid preparers to claim EITC and other credits.	Not addressed.
Estate and gift tax exemption	$13.61 million (2024, inflation- adjusted); reverts to ~$5 million (indexed) after 2025.	Increases exemption to $15 million (indexed from 2026); makes higher exemption permanent.
Casualty loss deduction	Limited to federally declared disasters (TCJA) through 2025.	Makes limitation permanent. The bill expands the provision to include certain state-declared disasters. The date for federally declared disasters to be recognized as qualified disasters is changed to 30 days after enactment.
Pease limitation (itemized deductions phaseouts)	Suspended 2018-2025 (TCJA); Reinstated in 2026.	Permanently repeals the Pease limitation phase-out, effective for tax years beginning after Dec. 31, 2025. The proposal replaces the Pease limitation with a simpler, uniform cap: All itemized deductions (SALT or otherwise) yield a $0.35 tax benefit per $1 deducted for top-bracket taxpayers, and Explicitly excludes the Sec. 199A pass-through deduction from this limitation. Note: H.R. 1 pairs a general 2% reduction on every deduction with an extra 5% SALT reduction, whereas the bill applies a flat 2% reduction across the board and leaves the QBI deduction untouched.

Individual key provisions		
Tax provision	**Current law (2017 - 2024)**	**Effective 2025 (Changes effective after 2025 are highlighted grey)**
Wagering losses	Limited to itemized deduction based on the amount of winnings through 2025 (TCJA).	The provision further limits losses from wagering transactions to 90% of the amount of such losses, only to the extent of winnings
Excise tax on remittance transfers	There is no federal excise tax imposed on remittance transfers from individuals to foreign recipient.	Introduces a 1% excise tax on remittance transfers by individuals to foreign recipients, effective Jan 1, 2026. Collectible by RTPs, with the same Bank Secrecy Act/card-funded transfer exception and parallel reporting/penalty regime.
Sec. 108(f), General rules for discharge of indebtedness	Sec. 108(f)(5) allows a reduction in purchase-money debt to be treated as a purchase price adjustment rather than cancellation of debt (COD) income, but this treatment is limited and does not apply to student loan discharges due to death or disability after 2025.	Makes permanent the Sec. 108(f)(5) exclusion for discharge of student loan on account of death or disability that expires after 2025 and adds a requirement for taxpayer to have SSN.
Sec. 127, Employer payments of student loans under educational assistance programs	$5,250 maximum exclusion includes employer payment of qualified student loan payments. Set to expire after 2025.	Assistance programs made permanent and adjusted for inflation.
Adoption credit	Nonrefundable.	Makes $5,000 of the credit refundable; inflation adjusted.
Dependent Care Assistance	$5,000 maximum exclusion for employer-provided dependent care assistance ($2,500 for married individuals filing separately)	Increases the maximum exclusion to $7,500 ($3,750 for married individuals filing separately). Effective for tax years beginning after December 31, 2025.
529 plan qualified expenses	Limited to higher education and $10,000 K-12 tuition	Expands to include more K-12 and homeschool expenses, and postsecondary credentialing expenses. In particular, CPA credentialling would also be allowed (including exam expenses).
“Trump Accounts”	N/A — did not exist.	The bill would create a new Sec. 530A, to establish a new type of tax-preferred account. These accounts would be set up for the exclusive benefit of an individual and designated at the time of establishment as such (under rules Treasury will promulgate). The accounts would be exempt from tax. Incudes a pilot program where the federal government pays a one-time $1,000 credit to an account of each qualifying child (born after 2024 and before 2029).l; however the bill states that “further refinements to the text included in the House-passed H.R. 1 with respect to the Trump accounts program continue to be developed and finalized in coordination with the Trump Administration.”
Penalties for unauthorized disclosure	$5,000 fine, up to 5 years prison.	Not addressed.

Individual key provisions		
Tax provision	**Current law (2017 - 2024)**	**Effective 2025 (Changes effective after 2025 are highlighted grey)**
Contingent fees	Treasury regulations under Circular 230 generally prohibit tax practitioners from charging contingent fees for preparing original tax returns or refund claims, except in limited circumstances (e.g. amended returns or judicial proceedings).	Not addressed.