

POSSIBLE (RE)DEFINED

# Fireside Chat:

## The Big, Beautiful Bill & the Future of Professional Services

Webinar Date: August 6, 2025

# Upcoming Events

- Law Firm Compensation & Benefits Survey
  - Deadline to Participate: August 31st, 2025
- August 20, 2025: Webinar - AI for PS Firms

# Learning Objectives

- Describe the key provisions of the “One Big Beautiful Bill”
- Explain how tax changes may impact your business or personal situation
- Define year-end actions to help position yourself for 2025

WELCOME

# Today's Presenters

**Kelsey Campbell**

Director  
Moderator  
Armanino

**Olga Blyweiss**

Tax  
Partner, Philadelphia Tax Market Lead  
Armanino

**Kelvin So**

Tax  
Partner  
Armanino

## Slide 4

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- NO1** update with Kelvin and Olga's info  
Nosayaba Okungbowa, 2025-07-23T17:36:52.241
- NO1 0** Put their bios in the notes section (ask Kelvin and Olga if bio stands up)  
Nosayaba Okungbowa, 2025-07-23T17:37:15.821
- OB2** Need Kelsey as a moderator  
Olga Blyweiss, 2025-08-05T18:07:50.486

# The Big Picture: Policy Update from Washington

The One Big Beautiful Bill Act (OBBBA) was signed into law July 4, 2025

- Modifies spending for a wide range of federal programs
- Implements structural reforms across agencies and programs to align with the administration's priorities
- Raises the statutory debt ceiling
- Extends and implements major changes to tax provisions



# Business Impact



# Key Tax Provisions Impacting Professional Services Firms

NO1

- Bonus depreciation/Section 179
- 199A deduction enhancements
- R&D expensing updates
- Business interest expense
- Changes to Itemized Deduction for Individuals



## Slide 7

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**NO1** Ask Jasper what key tax provisions impact professional services businesses  
Nosayaba Okungbowa, 2025-07-23T17:38:30.902

# Bonus Depreciation / Section 179 changes

- Permanently restores 100% bonus depreciation for qualifying assets placed in service after January 19, 2025
- Temporarily allows 100% expensing for new manufacturing buildings placed in service date before January 1, 2031
- Increase Section 179 cap to an inflation-adjusted \$2.5M beginning after 12/31/24 (with phasedown starting when cost of qualifying property exceeds inflation-adjusted \$4M)

# R&D / Section 174

- Permanently restores immediate expensing for DOMESTIC R&D expenditures beginning after 12/31/24
- Small businesses can retroactively expense back to after 12/31/21 (2022 tax year) by making an election and filing amended returns
- All other business can accelerate unamortized domestic R&D expenditures in 2025, or spread evenly over 2025 and 2026 tax years
- Capitalization of FOREIGN R&D remains unchanged (15 years)
- Current approach before additional guidance is released

# Section 199A: Qualified Business Income Deduction

- Makes 199A permanent – no change to current 20% deduction
- Increase phase-in range from \$50,000 to \$75,000 (single filers) and from \$100,000 to \$150,000 (joint filers)
  - Includes Specific Trades or Businesses (SSTBs) - Allows more people to qualify for portions of the deductions
- New floor provides minimum deductions of \$400 for taxpayers with qualified business income
- SSTB Taxpayers – Still subject to limitations but the new phase-in range helps provide little relief

| Filing Status          | 2025 Phase-Out Range  | 2026 Phase-Out Range  |
|------------------------|-----------------------|-----------------------|
| Single / Other         | \$197,300 → \$247,300 | \$197,300 → \$272,300 |
| Married Filing Jointly | \$394,600 → \$494,600 | \$394,600 → \$544,600 |

# Interest Limitations – Section 163(j)

- Permanently reinstates Section 163(j) adjusted taxable income to EBITDA for tax years starting after December 31, 2024

# Individual Tax Provisions





# Key Tax Provisions Impacting Individuals:

NO1

## **Makes permanent several TCJA Provisions:**

- PTET
- Individual tax rates and brackets
- Increased standard deductions – \$14,600 to \$15,750 for single/MFS & \$29,200 to \$31,500 for MFJ (Seniors, 65 and older, receive additional deduction of \$6,000 per person w/ income limitations)
- Repeals personal exemptions
- Repeals most miscellaneous itemized deductions
- Excess business loss limitation – limits business losses to \$626K in year 1, then converts to an NOL
- Limits home mortgage interest deduction for acquisition of indebtedness to \$750K

## Slide 13

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**NO1** Find the new tax brackets and add to the slide (income tax)  
Nosayaba Okungbowa, 2025-07-24T19:17:38.860

**NO1 0** really applies to target base and target audience  
Nosayaba Okungbowa, 2025-07-24T19:18:16.627

**NO1 1** [@Kelvin So] add the percent for charitable deductions  
Nosayaba Okungbowa, 2025-07-24T19:19:42.192

# State and Local Tax (SALT) Deduction

- SALT limitation raised to \$40,000 (\$20,000, for married separate filers) beginning in 2025 through tax year 2029, after which the limitation reverts to \$10,000 (\$5,000 for married separate filers).
- The cap increases by 1% each year after 2025 and before 2030.
- For tax years 2025 through 2029, the limitation is phased down for taxpayers with modified adjusted gross income (AGI) over \$500,000.
- Under this phasedown, the \$40,000 limitation is reduced by 30% of the excess of modified AGI over the threshold amount, not to be reduced below \$10,000.

## Slide 14

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**KS1**

Should be moved up higher, as it may be more important for the audience. Include PTET

Kelvin So, 2025-08-05T13:24:06.770

# Pass-Through Entity Taxes (PTET)

- The Act does not change the deductibility of pass-through entity taxes ("PTET").
- A prior Senate version of the bill contained a 50% PTET deduction limitation, and a prior House version contained a limitation for certain businesses providing services such as doctors, lawyers, and accountants.
- These proposed limitations were stricken from the final legislation.
- However, certain state PTET rules potentially will require state action.

# New Individual Provisions:

- New limitation on itemized deductions for taxpayers in 37% tax bracket (cap roughly 35%)
- Creates a .5% floor on itemized deductions for charitable contributions
- Creates a permanent \$2,000 above the line deduction for charitable contributions
- Reinvigoration of the AMT tax

# Charitable Contributions:

- Permanently instates a 1% floor on **corporate** charitable contributions beginning for tax years starting after December 31, 2025



| <b>Tax Rate</b> | <b>For Single Filers</b> | <b>For Married Individuals Filing Joint Returns</b> | <b>For Heads of Households</b> |
|-----------------|--------------------------|---|--------------------------------|
| 10%             | \$0 to \$11,925          | \$0 to \$23,850                                     | \$0 to \$17,000                |
| 12%             | \$11,925 to \$48,475     | \$23,850 to \$96,950                                | \$17,000 to \$64,850           |
| 22%             | \$48,475 to \$103,350    | \$96,950 to \$206,700                               | \$64,850 to \$103,350          |
| 24%             | \$103,350 to \$197,300   | \$206,700 to \$394,600                              | \$103,350 to \$197,300         |
| 32%             | \$197,300 to \$250,525   | \$394,600 to \$501,050                              | \$197,300 to \$250,500         |
| 35%             | \$250,525 to \$626,350   | \$501,050 to \$751,600                              | \$250,500 to \$626,350         |
| 37%             | \$626,350 or more        | \$751,600 or more                                   | \$626,350 or more              |

## Slide 17

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**NO1**    [@Kelvin So] double check the marriage penalty  
Nosayaba Okungbowa, 2025-08-05T20:17:43.929

# Qualified Small Business Stock (QSBS)

- Professional services continue to be an excluded trade or business.
- Tiered gain exclusion for QSBS allowing: (1) 50% exclusion for shares held more than three years, (2) 75% exclusion for shares held more than four years, or (3) 100% exclusion for shares held more than five years.
- Increases the per-issuer dollar cap from \$10 million to \$15 million (indexed to inflation beginning in 2027).
- Increases the corporate-level gross assets ceiling from \$50 million to \$75 million (indexed to inflation beginning in 2027).

## Slide 18

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**NO1** ERC to add at bottom

Nosayaba Okungbowa, 2025-07-24T19:27:18.615

**NO1 0** [@Olga Blyweiss] [@Kelvin So] can you all include what you want to say about ERC?

Nosayaba Okungbowa, 2025-07-30T18:56:45.249

**KS2** How important is the QSBS conversation for the audience of professional service firms since it is not allowed?

Kelvin So, 2025-08-05T13:24:47.444

## KEY PROVISIONS TO WATCH

### For Businesses:

- ✓ Return to 100% Depreciation Returns
- ✓ Increased 179 Deduction
- ✓ Changes to Domestic R&D Credit
- ✓ Immediate Write Off Domestic Section 174 Costs
- ✓ Interest Deduction Adjustments
- ✓ Manufacturing Incentives
- ✓ Increased 1099 Reporting Threshold
- ✓ Permanent Extension & Modification of International Provisions (BEAT, FDII and GILTI)

### For Individuals:

- ✓ SALT Cap Increases
- ✓ QBI Deduction Made Permanent
- ✓ Tax Brackets
- ✓ Excess Business Loss Limitation
- ✓ Changes to 529 Plans
- ✓ Mortgage Interest Deduction
- ✓ Return of Opportunity Zones
- ✓ Deduction for Tip Income and Overtime Pay
- ✓ Auto Loan Interest Deduction
- ✓ Enhanced Deduction for Seniors

## Slide 19

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**NO1** format later

Nosayaba Okungbowa, 2025-08-05T20:24:25.728



# Q&A

Thank you for  
attending

## Additional Questions?

Reach out to us at

[Tax Services | Armanino](#)

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**Kelvin So** - [Kelvin.So@armanino.com](mailto:Kelvin.So@armanino.com)

**Kelsey Campbell** - [Kelsey.Campbell@armanino.com](mailto:Kelsey.Campbell@armanino.com)



## Slide 21

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**NO1** Update with Olga, Kelvin, and Kelsey's info  
Nosayaba Okungbowa, 2025-07-23T17:40:44.516

**KS1 0** fix for cleaner details.  
Kelvin So, 2025-08-05T14:02:17.314

# Additional Tax Law Changes

# Child Tax Credit

- Makes permanent TCJA increased child tax credit.
- Makes permanent the additional child tax credit (\$1,700 in 2025) adjusted for inflation thereafter.
- The nonrefundable child tax credit is increased to \$2,200 effective in 2026.

# Clean Energy Tax Credits

- Accelerated phaseout of certain tax credits

## Slide 23

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**NO1**      [@Olga Blyweiss] [@Kelvin So]

Are we keeping this page?

Nosayaba Okungbowa, 2025-07-30T18:56:18.905

**OB1 0**

no

Olga Blyweiss, 2025-08-05T17:29:06.156

# States generally conform to the IRC on a:

- Rolling basis
- Fixed date (static) basis
- Selective basis

## Slide 24

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**NO1**      [@Olga Blyweiss] [@Kelvin So] let me know if slides 22 & 23 are relevant or need to be removed  
Nosayaba Okungbowa, 2025-07-30T19:00:08.189

**KS1 0**      Should delete. Need to keep PTET, slide 22 and moved up  
Kelvin So, 2025-08-05T14:01:47.828



# Examples of State Conformity Considerations for:

- IRC 174 Research & Experimental expense
- IRC 163(j) business interest expense
- Section 168(k) bonus depreciation
- Global intangible low-taxes income (GILTI) and Foreign derived intangible income (FDII)

KS1

Delete

Kelvin So, 2025-08-05T14:01:56.032

# Estate and Gift Tax:

- Permanently increases the estate and gift tax exemption to \$15M/person for tax years 2026 and beyond, indexed for inflation in future years

# Armanino Operates in an Alternative Practice Structure:

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