

Crack the Code: Your 2025 Year-End Tax Playbook

DECEMBER 3, 2025, 10:00–11:00 A.M. PT

CPE Category: Tax (1 credit)



Requirements to Qualify for attendance monitoring and CPE tracking

- To qualify for the maximum CPE credit, participants must respond to 3 out of 5 polling questions.
- To qualify for the maximum CPE credit, participants must stay on for 50 minutes.
- If you have technical difficulties responding to the polls, please send an email to ElevateLearn@armanino.com
- Include the session name, session date, and your poll response.
- Have a question or comment for the faculty? Submit via chat!

CPE Information

Program Level: **BASIC**
Recommended CPE: **1 (FIELD OF STUDY: TAXES)**
Target Audience: **BUSINESS OWNERS, CFOS AND TAX EXECUTIVES**
Program Prerequisite: **NONE**
Advanced Preparation: **NONE**



Learning Objectives

After this course, you will be able to:



Identify key provisions in the One Big Beautiful Bill Act and other new legislation



Define year-end tax strategies around deductions, credits, SALT and more



Apply a year-end checklist to avoid costly oversights



Recognize when to engage a tax advisor for tailored planning



Today's Presenters



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POLLING QUESTION #1

How far along are you in your 2025 year-end tax planning?

- We haven't started yet
- We've begun internal discussions
- We're actively reviewing strategies with our tax advisor
- We've finalized our plan for 2025



Why year-end tax planning matters in 2025

- The impact of the **One Big Beautiful Bill Act (OBBBA)**
- Rising compliance requirements and time-sensitive opportunities

What You Can Do Now:

- ✓ Schedule a meeting with your tax advisor before December 15 to review action items.
- ✓ Checkout Armanino's Year-End Planning Guide for Businesses:

<https://www.armanino.com/articles/year-end-tax-planning-guide-for-businesses/>



The Big Picture: What Changed in 2025

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



The One Big Beautiful Bill Act

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)

Industry Example:

M&D firms investing in new equipment - how 100% bonus depreciation timing impacts ROI.

What You Can Do Now:

- ✓ Review remaining capital projects and assess which should be accelerated or deferred.



The One Big Beautiful Bill Act

Qualified Production Property (QPP)

- New incentive allows a 100% deduction for the cost of real property used in manufacturing activities
- **Must meet the following criteria:**
 - Used in manufacturing or production, not for administrative purposes
 - Original use must start with the taxpayer
 - Construction must begin after January 19, 2025, and placed in service before January 1, 2031
 - Physically located within the United States



The One Big Beautiful Bill Act

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)

Strategic Planning

For firms approaching a loss position, allocating unamortized domestic R&D over two years can help smooth earnings and preserve valuable deductions for future periods.



POLLING QUESTION #2

Which of the following is your biggest tax concern heading into 2026?

- Impacts of the One Big Beautiful Bill Act
- State and local tax (SALT) complexity
- R&D or Section 174 capitalization
- Succession or transition planning
- International / cross-border tax exposure



The One Big Beautiful Bill Act

Interest Limitations – Section 163(j)

- For tax years beginning after **Dec. 31, 2024**, adjusted taxable income (ATI) permanently excludes depreciation, amortization, and depletion.
- This restores the more favorable **EBITDA approach**, increasing the 30% limitation and allowing larger interest deductions.

Industry Example:

M&D firm can claim 100% bonus depreciation without limiting its ability to deduct interest expense.

What You Can Do Now:

- ✓ Consider financing options and preserve cash flow to leverage favorable interest limitation rules.



Energy Incentives on the Clock

- Expiring IRA and OBBBA energy credits (EV, Section 179D, 45Y, 48E, 45X, etc.)
- PFE and FEOC restrictions and what they mean for eligibility
- Construction deadlines and ownership considerations

Industry Example:

Real estate and tech firms investing in clean energy infrastructure.

What You Can Do Now:

- ✓ Review any planned green projects and confirm eligibility timelines before June 30, 2026.

International & Tariff Strategy Adjustments



- OBBBA's international provisions: CFC rules, income sourcing, FTC updates
- Tariff volatility and cross-border supply chain impacts
- Aligning tax posture with global operations
- Changes effective after December 31, 2025

Industry Example:

Tech manufacturers facing tariff-related cost increases on imported components.

What You Can Do Now:

- ✓ Reassess transfer pricing policies and evaluate IP ownership structures.



POLLING QUESTION #3

How often does your company engage in proactive tax strategy planning (beyond compliance)?

- Only at year-end
- Twice a year (mid-year and year-end)
- Ongoing throughout the year
- Unsure / Not currently doing this



State and Local Tax (SALT)

- PTET workarounds and state decoupling post-OBBBA
- SALT deduction cap increase to \$40K and phaseout thresholds
- Nexus – Economic & Physical - compliance challenges

Industry Example:

Professional services firms with hybrid workforces across multiple states.

What You Can Do Now:

- ✓ Verify 2025 PTET elections and confirm your apportionment models reflect workforce shifts.



State and Local Tax (SALT)

Pass-Through Entity Taxes (PTET)

- State-level tax election for partnerships and S corps to pay tax at the entity level, allowing owners to bypass the SALT cap.
- OBBBA does not change the deductibility of pass-through entity taxes ("PTET").
- Provisions vary state-by-state

Strategic Planning

Evaluate PTET elections to maximize federal deductions and reduce owners' personal tax burden.



State and Local Tax (SALT)

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.



State and Local Tax (SALT)

Economic & Physical Nexus

Economic Nexus

- Based on economic activity (e.g., sales revenue, transaction volume), not physical presence.
- Often triggered when thresholds (e.g., \$500K sales or 200 transactions)
- Common for remote sellers and service providers.

Physical Nexus

- Requires tangible presence (e.g., office, employees, inventory).
- Traditional standard for state income tax obligations.

What You Can Do Now:

- ✓ Review sales data and/or consider getting a state nexus study



POLLING QUESTION #4

Which area best describes your business?

- Technology
- Manufacturing & Distribution
- Professional Services
- Private Equity / Investment
- Other

Owner-Level Planning: Aligning Business and Personal Strategy



- Qualified Business Income (QBI) deduction made permanent under OBBBA
- Utilizing state pass-through entity tax to reduce business income
- Front-loading charitable contributions in high-income years to maximize deductions
- Succession and transition planning
 - OBBBA increases the estate and gift tax exemption to \$15M/person for tax years 2026 and beyond, indexed for inflation in future years
- Qualified Small Business Stock (QSBS) planning

Year-End Tax Hygiene: Get Your House in Order



- Entity structure and internal control evaluations
- Financial statement reviews and ASU 2023-09 disclosures
- Payroll, 1099, and contractor updates

What You Can Do Now:

- ✓ Start speaking with your Tax Advisor now
- Work on recent financial reconciliation in order to plan

OBBBA Summary



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



Your Tax Year-End Planning Guide

- ✓ Key legislative updates and time-sensitive credits
- ✓ Planning insights for global ops, SALT and passthrough entities
- ✓ Essential “tax hygiene” steps to avoid surprises
- ✓ Industry-specific considerations for tech, manufacturing, nonprofits and private equity

What You Can Do Now:

- ✓ Use Armanino’s Year-End Planning Guide to prioritize top actions.



POLLING QUESTION #5

Do you have Armanino's 2025 Year-End Planning Guide?

- I already have it
- Yes, I'd like the individual guide too
- No, I need it



Q&A / Closing Remarks

What You Can Do Now:

- ✓ Email your Armanino contact today to schedule your tax planning review.



Ready to Close Out 2025 Strong?

Connect with our Tax team now:

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