

ClientLine®

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THE ONE BIG BEAUTIFUL BILL ACT (OBBBA)

As you look back on 2025 and start planning your financial strategies for 2026, here's a brief overview of provisions in the OBBBA that you may want to consider in that planning.

PERSONAL TAXES

OBBBA retains the reduced federal income tax brackets introduced in 2017, which were scheduled to expire in 2026, and sets the 2026 standard deduction at \$15,750 for single filers and \$31,500 for married couples filing jointly, with inflation adjustments expected in subsequent years.

For 2025, the federal child tax credit increases to \$2,200 per child. It will be indexed for inflation in 2026 and later. This credit begins phasing out for single/head of household taxpayers and married filing jointly at \$200,000 and \$400,000 modified adjusted gross income (MAGI). As for your estate planning, the estate tax exemption rises to \$15 million for 2026 (from \$13.99 million in 2025) and will be indexed for inflation in future years.

A new deduction for interest paid on auto loans could let you write off a portion of your car loan interest. The deduction has

income limits and strict rules on which cars qualify. The cap on state and local tax (SALT) deductions is temporarily increased from \$10,000 to \$40,000 from 2025 through 2029, with the cap rising 1% annually until

it reverts to the previous \$10,000 limit in 2030. The expanded cap phases out for filers earning more than \$500,000 (married filing jointly) or \$250,000 (single).

FOR BUSINESSES

OBBBA makes permanent the 20% small business deduction for pass-through entities such as partnerships and sole proprietorships. It makes permanent the lower corporate tax structure and rates set to expire in 2025, as well as 100% bonus depreciation and full expensing for business investments.

For more specific information on how the Act may affect you, talk with your trusted tax and financial professionals.



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OBBBA INVESTOR HIGHLIGHTS

The OBBBA creates federally managed tax-advantaged savings accounts for children born in the US from 2024 to 2028, seeded with \$1,000 from the federal government. You can contribute up to \$5,000 per year to your child's account until they turn 18. The accounts are designed to help families build long-term savings for education, homeownership, or retirement.

The Qualified Small Business Stock (QSBS) gain exclusion rules are significantly enhanced to make them more accessible and impactful for early-stage investors. For QSBS acquired at original issuance after July 4, 2025, the exclusion is tiered: 50% for stock held for at least three years, 75% for stock held for four years, and 100% for stock held for five years. The per-issuer exclusion cap is expanded from \$10 million to \$15 million, indexed for inflation (beginning in 2027). And the corporate gross asset limitation is increased from \$50 million to \$75 million.

CLIENT PROFILE

Ken is a founder of a growing tech startup in Austin, TX that faced a challenge in attracting top talent for his company. He implemented a strategic plan focusing on competitive compensation and benefits, career growth opportunities, and the company brand.



Ken offered salaries above industry standards, with robust benefits — healthcare, flexible schedules, and a generous stock option plan. This lured skilled professionals seeking financial security and work-life balance.

He emphasized career growth by creating clear advancement paths and mentorship programs. Employees praised the opportunity to lead projects within a year, fueling ambition and retention. To build his employer brand, he showcased the company's vibrant culture on social media, highlighting team outings and innovative projects. He encouraged employee testimonials, which boosted credibility and network reach.

By leveraging these strategies, Ken transformed his company into a talent magnet, providing a thoughtful approach can turn a small business into a competitive employer.

Client Profile is based on a hypothetical situation. The solutions discussed may or may not be appropriate for you.

YEAR-END TAX COMPLIANCE

As 2025 winds down, tax season looms, and focusing on compliance and documentation is crucial for a smooth filing process. By prioritizing organized records, timely estimated tax payments, and awareness of tax law changes, you can avoid penalties and potentially reduce your tax burden. Here's what you need to know to stay on track this November and December.

KEEP DETAILED RECORDS FOR DEDUCTIBLE EXPENSES

Accurate documentation is the foundation of claiming tax deductions effectively. For medical expenses, retain receipts for doctor visits and prescriptions. Business owners should maintain records of expenses like office supplies, travel costs, or equipment purchases to substantiate deductions. If you claim mileage, a detailed log with dates, destinations, and the purpose of each business trip is essential.

Consider using tools like QuickBooks or MileIQ to simplify tracking and ensure compliance with IRS requirements. Well-organized records not only support your deductions but also make the filing process more efficient.

MEET ESTIMATED TAX PAYMENT DEADLINES

For self-employed individuals, freelancers, or those with significant investment income, staying on top of estimated tax payments is critical. The fourth-quarter payment for

2025 is due January 15, 2026, and missing it could result in penalties. Review your year-to-date income and withholding to calculate the correct payment amount.

Consulting with a tax professional can help you estimate your tax liability accurately, ensuring you avoid underpayment issues when filing your return.

STAY INFORMED ON TAX LAW CHANGES

Tax laws are constantly evolving, and 2025 introduces updates through the One Big Beautiful Bill Act to deduction limits, credits, and reporting requirements that could

impact your filing. Staying informed about these changes ensures you remain compliant and can take advantage of new opportunities to optimize your tax outcome.

Work with your tax professional to review your records, confirm payment schedules, and adapt to any regulatory updates. By taking these steps now, you'll set yourself up for a stress-free and successful tax season.



Recruiting Challenges

In 2025, nearly 7 in 10 organizations (69%) are still reporting difficulties recruiting for full-time regular positions.

Source: 2025 Talent Trends, SHRM, 2025.

BUDGET SAVING TIPS FOR HOLIDAY TRAVEL

Holiday travel can strain your wallet, but with smart planning, you can enjoy the season without breaking the bank. Here are practical tips to save on your 2025 holiday trips.

BOOK EARLY AND BE FLEXIBLE

Airfares and hotel rates spike closer to the holidays, so book flights and accommodations by early November. Use fare comparison tools like Google Flights or Kayak to track deals. Traveling midweek, especially Tuesdays or Wednesdays, often yields lower prices than weekend flights. Flexibility with dates or destinations can unlock significant savings.

LEVERAGE REWARDS AND DISCOUNTS

Maximize credit card points or frequent flyer miles to offset flight or hotel costs. Check for holiday-specific promotions from airlines or booking platforms. Joining loyalty programs can also provide perks like free upgrades or discounts.



PACK LIGHT AND PLAN MEALS

Avoid checked bag fees by packing carry-on only. Bring snacks or reusable water bottles to skip pricey airport food. For road trips, pack a cooler to reduce dining costs.

CONSIDER ALTERNATIVE ACCOMMODATIONS

Explore vacation rentals or budget hotels through platforms such as Airbnb or Booking.com for cheaper options than traditional hotels.

By planning ahead, using rewards, and cutting small expenses, you'll keep your holiday travel budget intact.

Q

What are the various options for life insurance?

A

Life insurance options suit varied needs. Term life covers a set period, like 10 or 20 years, ideal for temporary needs like mortgages, with affordable premiums. Whole life offers lifelong coverage and a growing cash value, perfect for permanent protection and savings. Universal life provides flexible premiums and death benefits with cash value, great for long-term planning. Variable life allows investing in stocks or bonds, offering growth potential but higher risk.

Consult your advisor to choose the best option for your financial goals.

ATTRACTING TOP TALENT FOR YOUR BUSINESS IN 2026

As 2026 nears, securing skilled talent is essential for your business's success. In a competitive market, strategic efforts can make your company stand out. Here are key tips to attract top professionals.

OFFER COMPETITIVE COMPENSATION AND BENEFITS

Ensure your salaries align with current market rates by researching industry standards. Beyond pay, provide attractive benefits like health insurance, retirement plans, or wellness programs. In 2026, flexible work options, such as hybrid or remote

schedules, continue to be a major draw for candidates.

EMPHASIZE CAREER GROWTH OPPORTUNITIES

Top talent seeks opportunities to advance. Highlight clear career paths, professional development programs, or training initiatives. Offering mentorship or skill-building workshops can appeal to

ambitious candidates looking to grow.

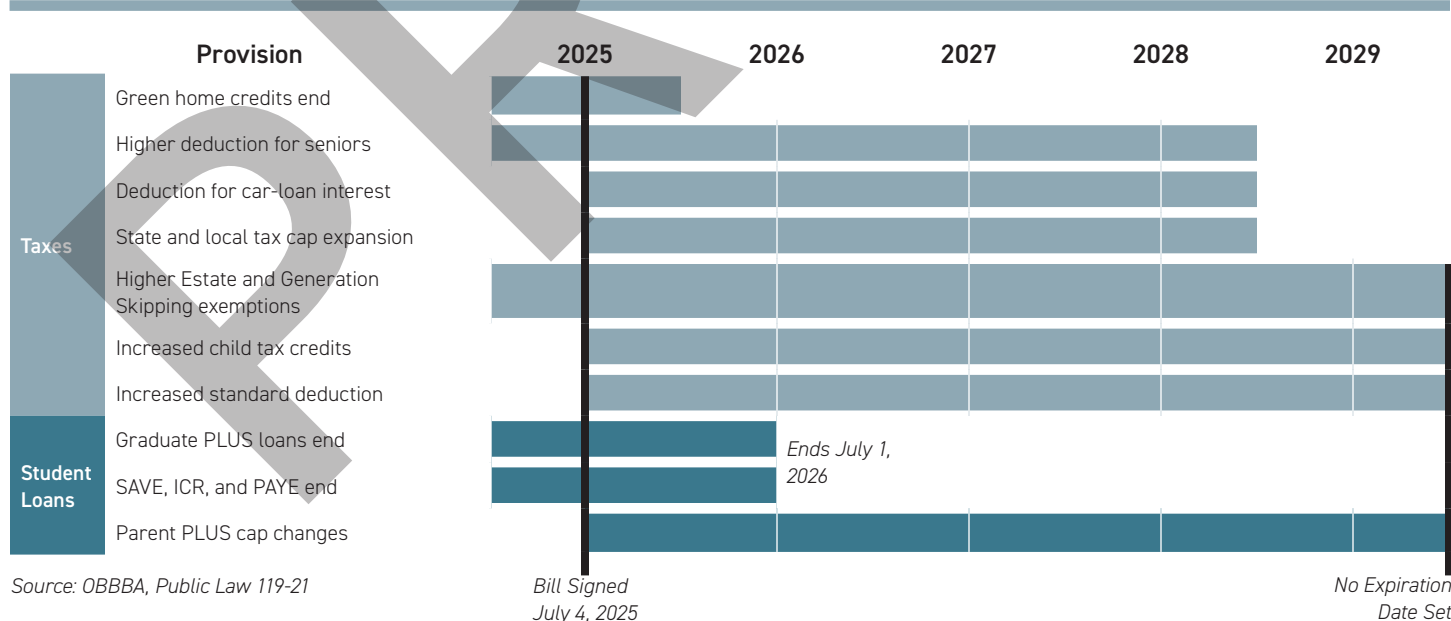
BUILD A STRONG EMPLOYER BRAND

Use platforms like LinkedIn to showcase your company's mission, culture, and employee achievements. Positive reviews on sites like Glassdoor can enhance your reputation. Streamline your

application process to make it candidate-friendly and efficient.

By focusing on competitive compensation, growth opportunities, and a compelling employer brand, your business can attract and retain top talent in 2026, setting the stage for success.

SELECT OBBBA PROVISIONS AND EXPIRATIONS AT A GLANCE



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