

On May 22, 2025, the House passed [H.R. 1](#), the House GOP Reconciliation Bill, with [amendments](#), including Title XI, known as the “The One Big Beautiful Bill,” proposing tax cuts and changes. Below is a summary of some key provisions of the bill. For additional coverage, see [BGOV OnPoint: GOP Budget Plan Hangs in Senate Limbo](#).

**Disclaimer:** The chart below does not address every tax provision in the bill and is intended to provide an overview of key changes and new proposals. The legislation must pass the Senate before going to the president, and the provisions are subject to change. For coverage of the bill as it moves through the legislative process, see the [Daily Tax Report®](#).

Topic	2025 Proposed Changes & Analysis	Act Section(s)	I.R.C. Section(s)
Energy Efficient Home Improvement Credit	Eliminates credit for property placed in service after 2025.	§112005	§25C
Residential Clean Energy Credit	Eliminates credit for tax years after 2025, from the previous sunset of 2034.	§112006	§25D
Previously-Owned Clean Vehicle Credit	Eliminates credit for tax years after 2025, from the previous sunset of 2032.	§112001	§25E
Clean Vehicle Credit	Eliminates credit for tax years after 2026, from the previous sunset of 2032. Eliminates credit for tax year 2026 if manufacturer produced more than 200,000 covered vehicles between 2010 and 2025.	§112002	§30D
Zero-Emission Nuclear Power Production Credit	Eliminates credit for tax years after 2031, from the previous sunset of 2032. Repeals transferability with respect to electricity produced and sold after 2027 and places restrictions on prohibited foreign entities.	§112012	§45U
Clean Hydrogen Production Credit	Eliminates credit for facilities beginning construction after 2025, from previous sunset requiring construction to begin before 2033.	§112013	§45V
Commercial Clean Vehicle Credit	Eliminates credit for vehicles acquired after 2025, with an exception for vehicles placed in service before 2033 as part of a binding written contract entered into before May 12, 2025.	§112003	§45W
Advanced Manufacturing Production Credit	Phases out credit, eliminating it for tax years after 2031. Repeals transferability with respect to components sold after 2027 and places restrictions on prohibited foreign entities. Terminates applicability to wind energy components sold after 2027.	§112014	§45X
Clean Electricity Production & Investment Credits	Eliminates credits for qualified facilities that begin construction 60 days after the law’s enactment or are placed in service after 2028. Prohibits credits for certain	§112008 §112009	§45Y §48E

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	wind and solar leasing arrangements and places restrictions on prohibited foreign entities.		
Clean Fuel Production Credit	Excludes feedstocks produced outside the U.S., Mexico, or Canada and extends credit through 2031 from previous sunset of 2027. Repeals transferability of credit with respect to fuel produced after 2027.	§111112 §112010	§45Z §6418(f)(1)(A)
BEAT Rate	Expands BEAT rate to include two rates: a standard 10.1% rate (increased from 10%), plus a "Super BEAT" rate of 12.5%, which could apply to payments made to countries imposing "unfair foreign taxes," including Pillar 2 Under-taxed Profits Rule (UTPR) taxes, Digital Service Taxes, and diverted profits taxes. Imposes an 11% rate on banks and certain other financial service entities.	§111005	§59A(b)(2)(A)
Auto Loan Interest Deduction	Excludes qualified passenger vehicle loan interest from the definition of "personal interest" for auto loan indebtedness incurred after 2024, and before 2029, to purchase an applicable passenger vehicle, the final assembly of which took place in the U.S. Limits the amount of interest taken into account to \$10,000, phased out by \$200 for every \$1,000 of the taxpayer's modified AGI in excess of \$100,000 for single filers or \$200,000 for joint filers.	§110104	§163(h)(4) ( <b>NEW</b> )
Bonus Depreciation	Reinstates 100% bonus depreciation for property acquired after Jan. 19, 2025, and placed in service after Jan. 19, 2025, but before 2030.	§111001	§168(k)
Deduction for Research & Development Expenditures	Suspends amortization of domestic research and experimental expenditures paid or incurred in tax years after 2024, and before 2030. Reinstates deduction of domestic research and experimental expenditures, with an election to amortize certain expenditures, for expenditures paid or incurred in tax years after 2024.	§111002	§174 §174A ( <b>NEW</b> )
Asset Expensing	Increases limitations from \$1 million to \$2.5 million, and \$2.5 million to \$4 million, for property placed in service in tax years after Dec. 21, 2024.	§111103	§179(b)
Qualified Business Income Deduction	Permanently extends deduction, increases deduction from 20% to 23%, amends income limits, and extends deduction to certain interest dividends of qualified business development companies.	§110005	§199A
Deduction for Tip Income	Creates deduction for qualified tips for individuals in traditionally and customarily tipped industries, excluding highly compensated employees, beginning in 2025 through 2028. Deduction available to itemizers and non-itemizers.	§110101	§224 ( <b>NEW</b> )

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Deduction for Overtime Pay	Creates deduction for qualified overtime compensation (not including qualified tips), excluding highly compensated employees, beginning in 2025 through 2028. Deduction available to itemizers and non-itemizers.	§110102	§225 ( <b>NEW</b> )
FDII and GILTI Deductions	Decreases the FDII deduction rate from 37.5% to 36.5% and the GILTI deduction rate from 50% to 49.2% on a permanent basis, eliminating the previously scheduled 2026 decrease in the deductions.	§111004	§250(a)(1)
SALT Cap	Expands the deduction for state and local sales, income, and property taxes to \$40,400 per year (50% of that amount for married individuals filing separately), reduced, but not below \$10,000 (\$5,000 for married individuals filing separately), by 30% of the excess of modified AGI over \$505,000 (50% of that amount for married individuals filing separately). For 2025, temporarily increases the deduction from \$10,000 to \$40,000 (\$20,000 for married individuals filing separately), subject to the reduction above, with income limitations of \$500,000 (\$250,000 for married individuals filing separately). For tax years 2027 through 2033, increases the dollar amount of the deduction and the dollar amount of the income limitations to 101% of the dollar amount in effect the previous tax year, with the change becoming permanent after 2033.	§112018	§164(b) §275(b) ( <b>NEW</b> )
BEAT Base/New §899	Imposes not only the higher BEAT rate of 12.5% but also increases rates of withholding on foreign payments made to countries with "unfair foreign taxes." The increase to the withholding rate starts at 5 percentage points and could increase over time to 20 percentage points. Higher rates are also imposed on foreign individuals and entities from these same countries owing tax on U.S. business activities. The proposed §899 rules are designed to turn off when countries provide safe harbors for U.S.-based entities.	§112028	§899 ( <b>NEW</b> )
Estate & Gift Tax Exemption Amount	Permanently increases the estate and gift tax exemption amount to \$15 million beginning in 2026, indexed annually for inflation.	§110006	§2010(c)(3)(C)
State and Local Tax Allocation Mismatch	Imposes a new tax on certain individuals based on a state and local tax allocation mismatch that is defined as the aggregate value of the individual's tax benefits over the individual's separately stated item. Though the SALT cap limitation is proposed to be increased, the new tax may impact individuals who have benefitted from state-level workarounds to the previous limitation amount.	§112018	§6659 ( <b>NEW</b> )