



CLIENT TAX BRIEFING · 2026

The One Big Beautiful Bill Act

What Every Christian Employer Needs to Know

AGENDA

Today's Session

01	Why This Matters	5 minutes
02	The Top 10 Tax Changes Every Christian Employer Should Know	20 minutes
03	What This Means for Employees	8 minutes
04	What Christian Employers Should Do Now	7 minutes

Figures throughout reflect provisions as enacted. Confirm details specific to your business with our team.

PART ONE

Why This Matters

WHY THIS MATTERS

What Changed

1

Several deductions set to shrink or expire were made permanent, including bonus depreciation and the pass-through deduction.

2

Small-business expensing limits and family tax credits increased, giving employers and employees more room to plan.

3

Estate and succession thresholds rose substantially, opening a window for transition planning.

WHY THIS MATTERS

Who Benefits

Business Owners

Lower effective tax rates on equipment purchases, R&D spending, and pass-through income.

Employees and Families

A larger Child Tax Credit, expanded benefit options, and new deductions on tips and overtime.

Multi-Generation Businesses

A higher, permanent estate exemption makes this a strong window to transfer ownership.

WHY THIS MATTERS

What Should Employers Do Before Year-End?

Review entity structure, update depreciation strategy, and revisit benefit and succession plans while today's rules are locked in.

PART TWO

The Top 10 Tax Changes Every Christian Employer Should Know

\$25K

QUALIFIED TIPS DEDUCTION LIMIT

TOP 10 TAX CHANGES · 1 OF 10

Qualified Tips and Overtime Deductions

Up to \$25,000 of qualified tips; qualified overtime deduction generally limited to \$12,500, or \$25,000 for joint filers, subject to income limitations. Claimed by employees on individual returns.



Update payroll systems to separately report tips and overtime.

Source: IRC §§224–225, added by OBBBA (P.L. 119-21) §§70201–70202; IRS Notice 2025-69; Fact Sheet 2026-01.

100%

FIRST-YEAR WRITE-OFF

TOP 10 TAX CHANGES · 2 OF 10

Bonus Depreciation

100% first-year bonus depreciation is restored and made permanent for qualifying property both acquired and placed in service after January 19, 2025.



Time major equipment purchases into this year's window.

Source: IRC §168(k), as amended by OBBBA (P.L. 119-21) §70301; IRS Notice 2026-11.

Section 179 Expensing

\$2.56M maximum immediate expensing limit for tax years beginning in 2026; phaseout begins at \$4.09M in purchases (up from \$2.5M / \$4M in 2025).



Pair Section 179 with bonus depreciation on purchases.

\$2.56M

2026 IMMEDIATE EXPENSING LIMIT

Source: IRC §179(b)(1), as amended by OBBBA; IRS Rev. Proc. 2025-32.

Qualified Business Income (Section 199A)

The up-to-20% deduction for pass-through business income was made permanent, with expanded phase-in ranges and a new minimum deduction for certain active participants. Actual amount depends on taxable income, activity type, and W-2 wage/property limits.

✓ **Revisit entity structure and compensation mix.**

Source: IRC §199A, made permanent by OBBBA (P.L. 119-21) §70105.

Up to 20%

PASS-THROUGH INCOME DEDUCTION

100%

DOMESTIC R&D EXPENSING

TOP 10 TAX CHANGES · 5 OF 10

Domestic Research & Development Expensing

Domestic research and development costs may be deducted immediately under new §174A, generally for tax years beginning after December 31, 2024, instead of amortized over five years. Foreign research costs continue to be amortized.



Identify qualifying domestic R&D costs for immediate write-off.

Source: IRC §174A, added by OBBBA (P.L. 119-21) §70302.

30%

OF ADJUSTED TAXABLE INCOME

TOP 10 TAX CHANGES · 6 OF 10

Business Interest Limitation

The business interest deduction is generally limited to 30% of adjusted taxable income, restoring a more generous EBITDA-based add-back for depreciation and amortization. Exceptions and coordination rules can apply.



Revisit financing and debt strategy.

Source: IRC §163(j), as amended by OBBBA (P.L. 119-21) §70303.

Up to
\$2,200

PER QUALIFYING CHILD

TOP 10 TAX CHANGES · 7 OF 10

Child Tax Credit

Up to \$2,200 per qualifying child, made permanent and subject to future inflation adjustments, plus eligibility, income, age, and Social Security number requirements.



Confirm payroll withholding reflects the new credit.

Source: IRC §24(h)(2), as amended by OBBBA (P.L. 119-21) §70104; IRS Rev. Proc. 2025-32.

\$7,500

DEPENDENT CARE FSA LIMIT

TOP 10 TAX CHANGES · 8 OF 10

Employer-Provided Benefits

Dependent-care assistance under §129: FSA limit rises to \$7,500 (\$3,750 married filing separately), up from \$5,000. Separately, the student-loan repayment component of educational assistance under §127 was made permanent.



Review benefit plan documents for new advantages.

Source: IRC §129(a)(2)(A) and §127(c)(1)(B), as amended by OBBBA §§70404, 70412.

Paid Family Leave Credit (Section 45S)

The employer credit for paid family and medical leave — generally 12.5% to 25% of wages, depending on the wage-replacement percentage — was made permanent. For tax years after 2025, employers may instead claim a credit based on paid leave insurance premiums.



Formalize a written paid-leave policy.

Source: IRC §45S, made permanent by OBBBA (P.L. 119-21); insurance-premium alternative for tax years after 2025. See Form 8994 instructions for current guidance.

Up to 25%

EMPLOYER WAGE CREDIT (12.5%–25%)

\$15M

FEDERAL PER-PERSON EXCLUSION (2026)

TOP 10 TAX CHANGES · 10 OF 10

Estate and Succession Planning

The federal estate and gift tax basic exclusion amount was raised to \$15 million per person (\$30 million per married couple) for deaths and transfers in 2026, indexed for inflation thereafter. State estate or inheritance tax exemptions may differ.



Revisit succession and buy-sell agreements.

Source: IRC §2010(c)(3)(A), as amended by OBBBA (P.L. 119-21) §70106, effective January 1, 2026.

PART THREE

What This Means for Employees

WHAT THIS MEANS FOR EMPLOYEES

Employee Impact at a Glance

\$2,200

CHILD TAX CREDIT

Per qualifying child, permanent

12.5%–25%

EMPLOYER FAMILY LEAVE CREDIT

Employer credit, not a direct employee benefit

Permanent

§127 STUDENT-LOAN REPAYMENT

Employer-provided repayment assistance

Existing Incentives

RETIREMENT SAVINGS

Generally remain available; not all OBBBA savings provisions summarized here

\$7,500

DEPENDENT CARE FSA

Up from \$5,000 annual limit

New

TAX WITHHOLDING

Tips & overtime deductions apply

Sources: IRC §24(h)(2) · §45S · §127(c)(1)(B) · §129(a)(2)(A) · §§224–225, all as amended or added by OBBBA (P.L. 119-21). This overview does not summarize all OBBBA savings-related provisions.

PART FOUR

What Christian Employers Should Do Now

WHAT CHRISTIAN EMPLOYERS SHOULD DO NOW

Your Year-End Action Checklist

- ✓ Review entity structure
- ✓ Update depreciation strategy
- ✓ Review family leave policies
- ✓ Review employee benefit programs
- ✓ Review succession plans
- ✓ Schedule proactive tax planning before year-end



NEXT STEPS

Let's Plan Together

Schedule a year-end planning session with Dean Owen CPA to apply these changes to your business.