

The General Ledger

A Financial & Tax Update for Clients and Friends of Robins, Eskew, Smith & Jordan

SUMMER 2025

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One Big Beautiful Bill Act: Impact on Individual Taxpayers

The One Big Beautiful Bill Act (OBBBA) passed the House on July 3, 2025 and was signed into law by President Trump. This comprehensive legislation makes several expiring tax cuts from the 2017 Tax Cuts and Jobs Act permanent, while at the same time introducing several temporary provisions through 2028.

MAKING TCJA PROVISIONS PERMANENT

The bill primarily focuses on extending individual tax benefits sunsetting after 2025, since business tax benefits from the 2017 TCJA were already made permanent.

- **Income Tax Rates and Brackets:** The current seven-bracket system is becoming permanent, with the highest rate staying at 37%.
- **Standard Deduction:** The doubled standard deduction amounts are now permanent. For tax year 2025, this means individuals get \$15,000, married couples filing jointly receive \$30,000 and heads of household get \$22,500.
- **Child Tax Credit:** The credit increases from \$2,000 to \$2,200 per child, with future inflation adjustments. The credit remains subject to phase-outs beginning at \$400,000 for joint filers and \$200,000 for other taxpayers.
- **Alternative Minimum Tax (AMT):** The TCJA increases to AMT exemptions are made permanent with inflation adjustments. For 2025, single filers get an \$88,100 exemption that phases out at \$626,350, while married couples filing jointly receive \$137,000 that phases out at \$1,252,700.

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CHANGES TO DEDUCTIONS

- **State and Local Tax (SALT)**
Deductions: The current \$10,000 cap on state and local tax deductions is raised temporarily to \$40,000 with 1% annual increases through 2029. After that, it reverts to \$10,000 in 2030. High earners with modified adjusted gross income in excess of \$500,000 face a phase-down of this benefit.
- **Charitable Deductions:** Starting in 2026, taxpayers who do not itemize can claim an above-the-line deduction for charitable contributions up to \$1,000 (\$2,000 for married filing jointly). Those who itemize face new limits on deductions with modified carryover rules. The 60% contribution limit for cash gifts to qualified charities becomes permanent.
- **Mortgage Interest:** The lower mortgage interest deduction cap of \$750,000 (down from the previous \$1 million) is made permanent. Interest on home equity debt unrelated to home improvements remains non-deductible.
- **What's Eliminated:** Several deductions are permanently eliminated, including personal exemptions (which remain at zero), miscellaneous itemized deductions subject to the 2% floor (unreimbursed employee expenses, tax preparation fees) and casualty and theft loss deductions except for federal disasters.

NEW TEMPORARY PROVISIONS (2025-2028)

- **Senior Deduction:** Taxpayers over 65 can claim an additional \$6,000 deduction, available whether they itemize or take the standard deduction. This phases out for joint filers earning \$150,000 to \$350,000 and other taxpayers earning \$75,000 to \$175,000. According to the White House, this provision will increase the percentage of seniors not paying tax on Social Security benefits from 64% to 88%.
- **No Tax on Tips:** Workers in traditionally tipped industries who do not itemize can deduct up to \$25,000 of reported tips. This federal income tax deduction does not affect state taxes or payroll taxes for Social Security and Medicare. High earners making over \$160,000 are excluded, and the deduction applies to both cash and credit card tips.
- **No Tax on Overtime:** A deduction for qualified overtime pay up to \$12,500 (\$25,000 for married filing jointly) is available for non-itemizers. This phases out for taxpayers with income over \$150,000 (\$300,000 for married filing jointly) and disappears entirely at \$275,000 for single filers.
- **Auto Loan Interest:** Interest on loans for U.S.-assembled cars becomes deductible up to \$10,000, but only for vehicles assembled domestically. The deduction phases out for individuals earning over \$100,000 (single) or \$200,000 (married filing jointly). Campers and RVs are excluded.

- **Trump Accounts:** New tax-advantaged accounts benefit children under 8. Parents can contribute up to \$5,000 annually (adjusted for inflation), with funds locked until the child turns 18. Withdrawals for college, first-time home purchases or starting a business are taxed at favorable capital gains rates. The government will deposit \$1,000 for qualifying U.S. citizen children born between Dec. 31, 2024 and Jan. 1, 2029 with no income limits.

ADDITIONAL PROVISIONS

- **529 Education Plans:** Tax-free distributions can now cover K-12 expenses at private and religious schools, plus additional qualified higher education expenses including "postsecondary credentialing expenses."
- **Pease Limitations:** The previous caps on itemized deductions for high earners are permanently eliminated, replaced by a 35-cent-per-dollar limit on itemized deductions.
- **Gambling Losses:** The ability to deduct gambling losses and related expenses is made permanent, but losses are limited to 90% of gains from the taxable year.

LOOKING AHEAD AND CONCLUSION

The legislation creates a complex mix of permanent and temporary provisions that will require careful tax planning, particularly as the temporary provisions expire after 2028. The tax professionals at RESJ can work with you to understand how these changes affect your specific situations and develop appropriate strategies.

One Big Beautiful Bill Act: Impact on Businesses, Trusts and Estates



ESTATE TAX CHANGES

The federal estate tax exemption receives a significant boost under OBBBA. Previously set to go back to pre-TCJA levels at the end of 2025, the exemption is now permanent. For 2026, the exclusion is \$15 million per person, adjusted for inflation annually. This represents a substantial increase from the 2025 exemption of \$13.99 million per person.

BUSINESS TAX BENEFITS

OBBBA extends several key business tax provisions that were set to expire, ensuring continued tax relief for various business structures:

- Pass-through entities benefit significantly from the permanent extension of the Section 199A deduction. This 20% deduction on business income that applies to LLCs, S corporations and sole proprietorships was scheduled to expire at the end of 2025. The House's proposed increase to 23% did not make the final cut.
- Depreciation rules become more favorable permanently.

The 100% bonus depreciation provision, which was phasing out, is now permanent.

Additionally, the Section 179 expensing limit jumps to \$2.5 million and begins to get phased out at \$4 million.

- Research and development expenses can now be fully expensed for domestic R&D activities, replacing the previous requirement to amortize costs.

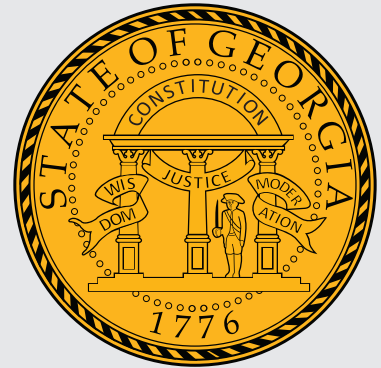
EMPLOYEE RETENTION CREDIT REFORMS

The pandemic-era Employee Retention Credit faces significant restrictions. Unpaid claims submitted after Jan. 31, 2024 are prohibited from receiving refunds. The legislation also introduces penalties for ERC mill promoters and extends the statute of limitations to six years.

LOOKING AHEAD AND CONCLUSION

The legislation represents a significant commitment to extending

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Georgia Surplus Tax Refunds Continue to Be Disbursed

Beginning in May, the state of Georgia began delivering surplus tax refunds to eligible Georgia taxpayers. While many Georgians have already received their refunds, the process to distribute funds to eligible taxpayers continues.

ELIGIBILITY

To be eligible for the refund, a taxpayer must:

- Be a full-time resident, part-year resident or non-resident of Georgia
- Have filed a Georgia income tax return in both 2023 and 2024 on time (for tax year 2024 by May 1 or October 15 with an extension)
- Had a tax liability for 2023

REFUND TIMING

As of early July, the Georgia Department of Revenue said the state is disbursing the refunds on the same pace as last year and that the vast majority of refunds will be sent by mid-August if the 2024 return was filed by May 1. For taxpayers who filed an extension and met all other requirements, their refunds will be paid after the October 15 deadline.

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Georgia Surplus Tax Refunds Continue to Be Disbursed

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AMOUNT OF REFUND

Refund amounts depend on a taxpayer's liability from the 2023 tax year and are capped at:

- \$250 for single filers and married individuals filing separately
- \$375 for head-of-household filers
- \$500 for married individuals filing jointly

OTHER INFORMATION

Georgia part-year and nonresident filers are eligible for a proportional refund based on filing status multiplied by the share of their income taxable in Georgia. Refunds will be delivered to eligible taxpayers based on refund instructions provided on their tax return. In previous years, 75% of surplus tax refunds were issued via direct deposit. A refund will not be issued if a taxpayer has a state income tax debt, instead the refund will be used to reduce the outstanding balance.

If you are still waiting for your tax surplus refund, you can check the status at this [Link](#).

One Big Beautiful Bill Act: Impact on Businesses, Trusts and Estates

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business-friendly tax policies while substantially increasing the federal debt burden. For businesses and high net-worth individuals, OBBBA provides long-term tax planning certainty by making temporary provisions permanent. To gain an understanding about how the changes may impact your situation, reach out to the tax professionals at RESJ for guidance.

FIRM NEWS RESJ

2025 Summer Intern Program



Interns at a lunch and learn about navigating a career in public accounting. Pictured in the middle are Audit Manager Taylor Pace and Tax Manager Jared Kane.

The RESJ summer intern program is underway and we could not be more pleased with this year's group. We have five interns participating in the nine-week program that helps develop technical skills, professional judgment and confidence through real-world client work, hands-on team collaboration and exposure to the firm's culture and leadership pathways. The interns are participating in lunch and learns about LinkedIn and networking, being trained on tax software, and rotating through our tax, audit and client services departments.

New Hires

CADEN WILSON



We are pleased to welcome Caden Wilson as a tax staff accountant. Caden works in the Fayetteville office and is a recent graduate of Georgia College & State University where he earned a BBA in accounting and a Master of Accountancy. He interned with RESJ for several seasons while still in school and we are thrilled to have him on board full time.

Fall Campus Recruiting

Fall is around the corner and we are looking forward to attending several career fairs in September to meet students who are pursuing a career in public accounting. RESJ will be at the following schools:

LIBERTY UNIVERSITY

September 2, 6 – 8 p.m.

GEORGIA COLLEGE & STATE UNIVERSITY

September 10, 9:30 a.m. – noon

UNIVERSITY OF GEORGIA

September 11, 3 – 6 p.m.

CHARLESTON SOUTHERN UNIVERSITY

September 23, 3:30 – 7 p.m.

We are always interested in meeting students who are majoring in accounting so if you know someone who might like working at RESJ, please have them contact **Shana Landress at slandress@resjcpas.com**.

40th Anniversary

DAN CLUM



Congratulations to Dan Clum, senior audit partner, on marking 40 years with Robins, Eskew, Smith & Jordan in June!

Dan has spent his entire career with the firm, providing exceptional service, deep expertise and unwavering commitment to our clients and team. Based in the McDonough office, he provides strategic oversight and brings more than three decades of attest experience, specializing in nonprofits, retirement plans and for-profit businesses. Over the years, Dan has helped shape the growth and direction of RESJ, guiding and supporting countless associates. Join us in thanking Dan for his continued dedication and leadership at the firm.