2025 · WHAT IMPORTANT ISSUES SHOULD I CONSIDER REGARDING CHANGES MADE BY THE OBBBA?

Shakespeare® Wealth Management

TAX PLANNING ISSUES	YES	NO
Are you or your spouse age 65 or older? If so, consider whether the new senior deduction ($6,000 per eligible person) could make other tax planning strategies (e.g., Roth conversions, capital gain harvesting, etc.) more attractive, but be mindful that eligibility begins to phase out at $75,000 MAGI (single) and $150,000 MAGI (MFJ).	☐	☐
Are you charitably inclined and taking the standard deduction? If so, consider whether the non-itemized below-the-line charitable deduction (starting in 2026) of up to $1,000 ($2,000 MFJ) could complement your tax planning and charitable giving goals and incentivize you to donate. Be mindful that you can't utilize this donation if you choose to itemize deductions in a given year (i.e., no double-dipping).	☐	☐
Do you live in (or plan to move to) a state with high state and local taxes (SALT)? If so, be sure to factor in the increased $40,000 SALT cap deduction into your tax planning strategies. This may make certain tax strategies (e.g., Roth conversions, harvesting capital gains, etc.) more attractive, but be mindful that eligibility begins to phase out at $500,000 MAGI (single and MFJ).	☐	☐
Do you earn a portion of your income from tips and/or overtime pay? If so, double-check that your income from tips and/or overtime is being properly documented and reported by your employer, as you may be eligible for a new tax deduction against income from tips and/or overtime (subject to limitations). Be mindful that eligibility phases out starting at $150,000 MAGI (single) and $300,000 MAGI (MFJ).	☐	☐
Are you planning to purchase a home with a down payment that's less than 20%? If so, make sure to factor in the tax deductibility of PMI (starting in 2026) when evaluating your choices, but be mindful that eligibility phases out starting at $100,000 MAGI (single and MFJ). (continue on next column)	☐	☐

TAX PLANNING ISSUES (CONTINUED)	YES	NO
Are you planning to purchase a vehicle in the near future? If so, consider the potential tax deductibility of up to $10,000 of interest for new vehicles assembled in the United States, but be mindful that eligibility phases out starting at $100,000 MAGI (single) and $200,000 MAGI (MFJ). Also, be mindful that electric vehicle tax credits will no longer be available for new or used electric vehicles acquired after September 30, 2025.	☐	☐
Are you planning to purchase (or do you currently have) health insurance through the Marketplace? If so, be mindful of the Premium Tax Credit's sensitive MAGI "cliff" (starting in 2026) at 400% of the federal poverty level (FPL), since even a small increase in income could disqualify you from the entire credit and require repayment at tax time. Make sure you accurately report your expected income, and consider MAGI-reduction strategies (e.g., retirement plan or HSA/FSA contributions, tax-free income sources, etc.) if you expect your income may approach or exceed the limit.	☐	☐
Do you have a significant amount of incentive stock options (ISOs)? If so, be mindful of how the changes to the Alternative Minimum Tax (AMT) may impact your situation, and whether it makes sense to accelerate any ISO exercises (while in favorable AMT thresholds) before the new AMT thresholds take effect (starting in 2026).	☐	☐
Are you in the 37% tax bracket, and do you typically itemize deductions? If so, be mindful that the effective tax benefit for those deductions will be reduced from 37% to 35% (starting in 2026).	☐	☐
Do you anticipate receiving a larger tax refund in light of any new or expanded tax deductions or credits? If so, consider decreasing the tax withholdings from your income sources (e.g., wages, Social Security benefits, IRA distributions, etc.) to help free up additional cash flow for use throughout the year.	☐	☐

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CHILD PLANNING ISSUES	YES	NO
Do you claim any children as dependents? If so, the increased $2,200 Child Tax Credit (inflation-adjusted) and the permanent $1,700 refundable portion may increase your refund.	☐	☐
Do you pay for qualifying dependent care expenses (e.g., day care centers, nannies, etc.)? If so, evaluate whether contributing up to $7,500 (starting in 2026) to a Dependent Care FSA or using the expanded 20–50% (starting in 2026) Child and Dependent Care Credit provides greater tax savings.	☐	☐
Will you give (or have you given) birth to a child in 2025 or later? If so, remember to claim the $1,000 government credit (i.e., deposit) by opening an approved Trump Account before the child turns 18, as the credit isn't automatic.	☐	☐
Are you planning to adopt a child soon? If so, be mindful of the new $5,000 refundable portion of the $17,280 adoption tax credit. If your tax liability is expected to be low, consider increasing your taxable income (e.g., Roth conversions, taxable withdrawals, etc.) to ensure you don't miss out on the full credit.	☐	☐

EDUCATION PLANNING ISSUES	YES	NO
Do you have children or grandchildren in grades K-12? If so, be mindful that you can withdraw up to $20,000 per year per child (starting in 2026) tax-free from a 529 plan for eligible K–12 expenses.	☐	☐
Are you planning to pursue further education or specialized training for your career? If so, be mindful that 529 plans now allow tax-free withdrawals for an expanded list of qualified expenses (e.g., trade programs, professional certificates, continuing education, etc.). (continue on next column)	☐	☐

EDUCATION PLANNING ISSUES (CONTINUED)	YES	NO
Are you (or your child) planning to take out student loans to help fund college education? If so, be aware that the OBBBA places new limits on federal borrowing and reduces access to some income-driven repayment plans (starting in 2026), which may require greater use of private student loans with higher interest rates and less flexibility. Consider increasing your college savings goals (e.g., 529 plan, etc.) to reduce your reliance on borrowing.	☐	☐

MISCELLANEOUS ISSUES	YES	NO
Do you need to review your estate plan in light of the estate tax exemption being made permanent? If so, consider whether the increase and permanence of the estate and gift lifetime exemption (starting in 2026) might prompt changes to your estate plan.	☐	☐
Are you planning to incur any large business expenses or purchases? If so, depending on your situation, you may be eligible to take the 100% bonus depreciation for your purchase (instead of MACRS depreciation).	☐	☐

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