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The One Big Beautiful Bill Tax Effective Dates



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Area	Section	Effective Date	Effective date text
Individuals	Extension and Enhancement of Increased Standard Deduction	1/1/25	The section is effective for tax years beginning after December 31, 2024. (Act Sec. 70102(c))
Individuals	Extension and Enhancement of Increased Child Tax Credit; Credit for Other Dependents Extended	1/1/25	The section is effective for tax years beginning after December 31, 2024. (Act Sec. 70104(f))
Individuals	Individual SALT Limitation	1/1/25	The provision is effective for tax years beginning after December 31, 2024. (Act Sec. 70120, amends Code Sec. 164(b)(6))
Individuals	Termination of Deduction for Personal Exemptions Other Than Temporary Senior Deduction	1/1/25	Effective date. These changes apply to tax years beginning after December 31, 2024 (Act Section 70103, amending Code Sec. 151(d)(5)).
Individuals	No Tax on Car Loan Interest	1/1/25	The provision applies to qualified indebtedness incurred after December 31, 2024. (Act Sec. 70203(e) amends Code Sec. 613(h) and Code Sec. 6050AA).
Individuals	Enhancement of Adoption Credit	1/1/25	This provision is effective for tax years beginning after Dec. 31, 2024. (Act Sec. 70402(d))
Business	Increased 179 Expensing Limits - \$2,500,000/\$4,000,000	1/1/25	This provision is effective for property placed in service in tax years beginning after Dec. 31, 2024. (Act Sec. 70306. Amending Code Sec. 179)
Business	Form 1099-K De Minimis Exception for Third-Party Networks Reverts to \$20,000 plus 200 Transactions	1/1/25	The threshold reversion provision is effective as if it had been included in the ARPA. The backup withholding clarification is effective for calendar years beginning after Dec. 31, 2024. (Act Sec. 70432. Amending Code Secs. 6050W and 3406)
Payroll	No tax on Tips	1/1/25	Effective date. The new tip deduction and related provisions apply to taxable years beginning after December 31, 2024. The deduction is temporary and will expire for taxable years beginning after December 31, 2028 (Act Section 70201, adding new Code Sec. 225).



Area	Section	Effective Date	Effective Date Text
Payroll	No Tax on Overtime	1/1/25	Effective date. The new overtime deduction and related provisions apply to taxable years beginning after December 31, 2024. The deduction is temporary and will expire for taxable years beginning after December 31, 2028 (Act Section 70202, adding new Code Sec. 226).
Termination of Energy Incentives	Termination of Cost Recovery for Energy Property	1/1/25	This provision applies to property for which construction begins after December 31, 2024. (Act Sec. 70509(b))
Business	Bonus Depreciation Made Permanent at 100%	1/20/25	This provision is effective for property acquired after Jan. 19, 2025 (Act Sec. 70301. Amending Code Secs. 168 and 460)
Individuals	Extension of Rules for Treatment of Certain Disaster-Related Personal Casualty Losses	7/4/25	To qualify, the losses must arise in a qualified disaster area on or after the first day of the incident period of the qualified disaster. (Act Sec. 70438. Amends Code Sec. 165(h).)
Individuals	Qualified Higher Education Expenses for Purposes of 529 Accounts	7/4/25	This section applies to distributions made after the date of enactment. (Act Sec. 70414. Amends Code Sec. 529)
Business	100% Depreciation Election for Real Property Used for Producing Tangible Personal Property	7/4/25	This provision is effective for property placed in service after the date of enactment of the Act. (Act Sec. 70307. Amending Code Secs. 168 and 1245)
Business	Treatment of Capital Gains From Sale of Certain Farmland Property	7/4/25	This section applies to sales or exchanges in tax years beginning after the date of enactment. (Act Sec. 70437. Redesignates Code Sec. 1062)
Business	Overall Dollar Limit on the Advanced Energy Project Credit No Longer Increased by Amounts Allocated to Revoked Project Certifications	7/4/25	This provision is effective as of the date of enactment of The Act. (Act Sec. 70515 (b))
Termination of Energy Incentives	Termination of the Previously-Owned Clean Vehicles Credit	7/4/25	This provision is effective as of the date of enactment of The Act. (Act Sec. 70501 amends Code Sec. 25E(g)).



Area	Section	Effective Date	Effective Date Text
Termination of Energy Incentives	Termination of Clean Vehicle Credit	7/4/25	This provision is effective as of the date of enactment of The Act. (Act Sec. 70502 amends Code Sec. 30D(h), 30D(e)).
Termination of Energy Incentives	Termination of Qualified Commercial Clean Vehicles Credit	7/4/25	This provision is effective as of the date of enactment of The Act. (Act Sec. 70503 amends Code Sec. 45W(g)).
Termination of Energy Incentives	Termination of Alternative Fuel Vehicle Refueling Property Credit.	7/4/25	This provision is effective as of the date of enactment of The Act. (Act Sec. 70504 amends Code Sec. 30C(i)).
Business	Expansion of Qualified Small Business Stock Gain Exclusion	7/5/25	The increase in the gross asset limitation is effective for stock issued after July 4, 2025. (Act Sec. 70431(b) (4))
Business	Payments from Partnerships to Partners for Property or Services	7/5/25	This provision is effective for services performed or property transferred after July 4, 2025. (Act Sec. 70602(b))
Payroll	Enforcement Provisions with Respect to COVID-Related Employee Retention Credits	7/5/25	The provisions apply generally after the date of enactment of the Act. (Act Sec. 70605. Amends Code Sec. 3134 and 6676)
Termination of Energy Incentives	Termination for Wind Energy After 2027 and Other Changes to the Advanced Manufacturing Production Credit	7/5/25	The above provisions apply to tax years beginning after the date of enactment of The Act except that the rules for subcomponents apply to components sold during tax years beginning after December 31, 2026. (Act Sec. 70514 (f))
Individuals	Extension and Enhancement of Reduced Income Tax Rates	1/1/26	The section is effective for tax years beginning after December 31, 2025. (Act Sec. 70101(c))



Area	Section	Effective Date	Effective Date Text
Individuals	Extension and Increase of Basic Exclusion Amount	1/1/26	This provision is effective for estates of decedents dying and gifts made after December 31, 2025. (Act Sec. 70106(b))
Individuals	Pease Limitation Repealed	1/1/26	The provision applies to tax years beginning after December 31, 2025. (Act Sec. 70111, amends Code Sec. 68)
Individuals	Individual Alternative Minimum Tax Exemption Amounts Permanently Increased, Phaseout Thresholds Modified	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70107, amends Code Sec. 55(d)(4))
Individuals	Repayment Cap on Excess Advance PTC Payments Is Eliminated	1/1/26	This change is effective for tax years beginning after Dec. 31, 2025. (Act Sec. 71305(c))
Individuals	Enhancement of Child and Dependent Care Credit	1/1/26	This provision is effective for tax years after December 31, 2025. (Act Sec. 70405 amends Code Sec. 21)
Individuals	Social Security Number Requirement for American Opportunity and Lifetime Learning Credits	1/1/26	This provision is effective for tax years beginning after Dec. 31, 2025. (Act Sec. 70606(c))
Individuals	Limitation on Deduction for Qualified Residence Interest Extended	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70108, amends Code Sec. 163(h)(3)(F))
Individuals	Miscellaneous Itemized Deductions Terminated, Educator Expenses Excepted	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70110, amends Code Sec. 67(g))
Individuals	New Tax-Deferred Investment Accounts for Children	1/1/26	This section is effective for tax years beginning after December 31, 2025. (Act Sec. 70204(e). Adding Code Sec. 530A, Code Sec. 128, Code Sec. 139J, and Code Sec. 6434)



Area	Section	Effective Date	Effective Date Text
Individuals	Additional Expenses Treated as Qualified Higher Education Expenses for Purposes of 529 Accounts	1/1/26	The effective date for the expanded expenses applies to distributions made after the date of enactment, and the doubled limitation applies to tax years beginning after December 31, 2025. (Act Sec. 70413. Amending Code Sec. 529(c)(7).)
Individuals	Individuals' Charitable Deductions: Floor of 0.5 % of AGI is Imposed, and 60%-of-AGI Ceiling for Certain Cash Gifts is Made Permanent	1/1/26	Both the floor provision and the 60%-limit provision are effective for tax years beginning after Dec. 31, 2025. (Act Sec. 70425(c))
Individuals	PTC Disallowed to Aliens Below Poverty Line Who Are Ineligible for Medicaid	1/1/26	This change is effective for tax years beginning after Dec. 31, 2025. (Act Sec. 71302(b))
Individuals	PTC Disallowed for Certain Coverage Enrolled in During Special Enrollment Period	1/1/26	This change is effective for plan years beginning after Dec. 31, 2025. (Act Sec. 71304(b))
Individuals	Extension and Modification of Limitation on Casualty Loss Deduction	1/1/26	The provision applies to tax years beginning after December 31, 2025. (Act Sec. 70109, amends Code Sec. 165(h)(5))
Individuals	Permanent Non-Itemizers' Charitable Deduction for Individuals	1/1/26	The provision applies for tax years beginning after Dec. 31, 2025. (Act Sec. 70424(b))
Individuals	Excise Tax on Certain Remittance Transfers	1/1/26	This provision is effective for transfers made after Dec. 31, 2025. (Act Sec. 70604(c))
Individuals	Limitation on Wagering Losses	1/1/26	The provision applies to tax years beginning after December 31, 2025. (Act Sec. 70114, amends Code Sec. 165)
Individuals	Extension and Modification of Limitation on Deduction and Exclusion for Moving Expenses	1/1/26	Effective date. These changes apply to tax years beginning after December 31, 2025, meaning the expanded eligibility for intelligence community members begins with the 2026 tax year (Act Section 70113, amending Code Sec. 217(k) and §132(g)).



Area	Section	Effective Date	Effective Date Text
Individuals	ABLE Account Contributions, Rollovers	1/1/26	The provisions, except for the Saver's Credit amount increase, apply for tax years beginning after December 31, 2025. The increase in the Saver's Credit amount is effective for tax years beginning after December 31, 2026.
Business	Extension and Enhancement of Deduction for Qualified Business Income	1/1/26	This section takes effect for tax years beginning after December 31, 2025. (Act Sec. 70105, amends Code Sec. 199A)
Business	Allocation of Deductions to Foreign Source Net CFC Tested Income (Formerly Known as GILTI) for Foreign Tax Credit Purposes	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70311(c))
Business	One Percent Floor for Deductions of Corporate Charitable Contributions	1/1/26	This section is effective for tax years beginning after December 31, 2025. (Act Sec. 70426(d))
Business	Coordination of Business Interest Limitation with Interest Capitalization Provisions	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70341, amends Code Sec. 163(j))
Business	Definition of Adjusted Taxable Income for Business Interest Limitation	1/1/26	Under Section 70342 of the Act, certain taxpayers with foreign operations may see the above benefit (i.e., adding back depreciation and amortization) eroded (starting in tax years beginning after December 31, 2025) by the exclusion of Subpart F and net CFC tested income (and any associated IRC Section 78 gross up) from ATI.
Business	Enhancement of Advanced Manufacturing Investment Credit	1/1/26	This section increases the credit to 35% for property placed in service after December 31, 2025. (Act Sec. 70308. Amends Code Sec. 48D)
Business	Increased Information Reporting Threshold for Certain Payees	1/1/26	This provision is effective for payments made after December 31, 2025. (Act Sec. 70433(f). Amends Code Sec. 6041 and Code Sec. 6041A)
Business	Section 162(m) Extended to Controlled Groups	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70603(b))



Area	Section	Effective Date	Effective Date Text
Business	Exceptions From Limitations on Deduction of Business Meals	1/1/26	This section applies to amounts paid or incurred after December 31, 2025. (Act Sec. 70305(c))
Payroll	Extension and Enhancement of Paid Family and Medical Leave Credit	1/1/26	This provision applies to tax years beginning after December 31, 2025. (Act Sec. 70304(c))
Payroll	Enhancement of Employer-Provided Child Care Credit	1/1/26	This provision is effective for amounts paid or incurred after Dec. 31, 2025. (Act Sec. 70401(g))
Payroll	Employee Exclusion for Employer Payments of Student Loans is Made Permanent; Inflation Adjustment Added	1/1/26	Both provisions apply for payments made after Dec. 31, 2025. (Act Sec. 70412(c))
Payroll	Dependent Care Assistance Program's Tax-free Contribution Limit Increased	1/1/26	This section is effective for tax years beginning after December 31, 2025. (Act Sec. 70404. Amends Code Sec. 129)
Payroll	Exclusion for Qualified Bicycle Commuting Reimbursement Permanently Eliminated	1/1/26	This section is effective for tax years beginning after December 31, 2025. (Act Sec. 70112. Amends Code Sec. 132(f))
Termination of Energy Incentives	Sunsetting Energy Efficient Home Improvement Credit by December 31, 2025	1/1/26	The Act amends Code Sec. 25C(h) to terminate the energy efficient home improvement property credit for any property placed in service after December 31, 2025. (Act Sec. 70505(a))
Termination of Energy Incentives	Sunsetting Residential Clean Energy Credits by December 31, 2025	1/1/26	The Act amends Code Sec. 25D(h) to terminate the residential clean energy expenditures credit for any expenditures after December 31, 2025. (Act Sec. 70506(a))
Termination of Energy Incentives	Sunsetting Energy Efficient Commercial Buildings Deduction for Construction Beginning after June 30, 2026	7/1/26	The Act adds Code Sec. 179D(i) to terminate the energy efficient commercial building deduction for the cost of energy efficient commercial building property the construction of which begins after June 30, 2026. (Act Sec. 70507)



Area	Section	Effective Date	Effective Date Text
Termination of Energy Incentives	Termination of New Energy Efficient Home Credit	7/1/26	This provision is effective for homes acquired after June 30, 2026. (Act Sec. 70508 amends Code Sec. 45L(h))
Business	Limit on Excess Business Losses Made Permanent; Inflation Adjustment Modified; Inapplicability of Farm Loss Limits Made Permanent	1/1/27	The change making permanent the excess business loss limit/inapplicability of Code Sec. 461(j) is effective for tax years beginning after Dec. 31, 2026. (Act Sec. 70601(c)(1)) The change to the calculation of the inflation adjustment is effective for tax years beginning after Dec. 31, 2025. (Act Sec. 70601(c)(2); Code Sec. 461(l)(3)(C))
Individuals	Credit of up to \$1,700 For Contributions to Scholarship-Granting Organizations	1/1/27	The credit is available in tax years ending after December 31, 2026. (Act Sec. 70411(c)(1)) The exclusion for scholarship amounts described above will apply to amounts received after December 31, 2026, in tax years ending after that date. (Act Sec. 70411(c)(2))
Individuals	Some Lawfully Present Aliens Made Ineligible for PTC	1/1/27	The provision is effective for tax years beginning after Dec. 31, 2026. (Act Sec. 71301(e))
Individuals	Exchange Must Verify Applicant's Eligibility to Enroll in QHP and Receive Advance PTC Payments—Post-2027 Tax Years	1/1/28	These changes are effective for tax years beginning after Dec. 31, 2027. (Act Sec. 71303(c))