

OBBBA Planning Worksheet

The new individual deductions and their ceilings for 2025 · Current as of July 2026

The One Big Beautiful Bill Act created several new individual deductions beginning in 2025. This worksheet lists the ceilings and phase-outs so you can plan; most are above-the-line or available without itemizing. Amounts phase out as income rises, so the value depends on your total picture.

New OBBBA deductions at a glance

PROVISION	MAXIMUM	PHASE-OUT BEGINS (SINGLE / MFJ)
No tax on tips (qualified tips)	\$25,000	\$150,000 / \$300,000
No tax on overtime premium	\$12,500 / \$25,000	Income-based phase-out applies
Senior deduction (age 65+)	\$6,000	Income-based phase-out applies
Car loan interest (qualifying vehicles)	\$10,000	Income-based phase-out applies
State and local tax (SALT) cap	\$40,400	Phases down at higher income

Planning worksheet

1. Qualified tips received this year

\$

2. Qualifying overtime premium

\$

3. Qualifying car loan interest

\$

4. Your expected AGI (drives every phase-out above)

\$

5. State and local taxes paid (compare to the \$40,400 cap)

\$

These deductions interact with each other and with your AGI. The point of the worksheet is to gather the inputs; the exact benefit is worth confirming with a preparer before you rely on it.

See how the rules fit your year: arcandledger.com/guides/quarterly-estimated-taxes/