

Five Key Business Tax Takeaways from the One Big Beautiful Bill Act

Now may be the time to revisit and optimize your business tax strategy



On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law, enacting important updates to the tax code—many of which directly impact business owners. From the return of 100% bonus depreciation, to enhancements around research and development expensing, and updates to the rules relating to the Qualified Small Business Stock gain exclusion—the new law offers meaningful opportunities to potentially reduce tax liability and improve long-term planning.

Whether you're considering a major purchase, preparing for a liquidity event, or simply looking to optimize your business structure, now may be the time to revisit your tax strategy.

Here are five key business tax takeaways to keep in mind under the OBBBA

1. 20% deduction for business income remains

The Section 199A deduction for qualified business income for businesses taxed as pass-through entities (i.e., Partnership or S-Corp) remains in place and is now permanent in the tax code. Business owners should continue reviewing their entity classification to help ensure this benefit is being maximized.

2. 100% bonus depreciation is back

Businesses can now fully deduct the cost of certain “qualified property”—such as certain equipment, vehicles, or even aircrafts—in the tax year the property is placed in service. If you're planning a major purchase, now may be the time to make sure it's structured to take full advantage of this deduction.

3. Research and development expenses can be fully deducted

Qualifying research and development (R&D) costs no longer need to be spread out over time—they can be deducted immediately. This is a big win for innovative businesses investing in new products, technology, or processes.

4. More favorable rules for selling a business

Updates to the Qualified Small Business Stock (QSBS) gain exclusion rules could allow eligible entities taxed as C-Corps to exclude capital gains (now up to \$15 million, up from \$10 million under the prior law) upon a sale. The new law introduced shorter holding period requirements, therefore businesses that hold QSBS for three years can now exclude 50% of the gain on a sale and 75% of the gain if held for four years. If you're thinking about a future sale, it's worth reviewing your entity type and whether converting to a C-Corp would allow you to take advantage of the QSBS rules.

5. Bigger deductions for business interest

The rules for deducting business interest reverted to pre-Tax Cuts and Jobs Act law, which will likely provide larger deductions for business interest. Specifically, the calculation for adjusted gross income now uses an EBITA standard (earnings before, interest, taxes, depreciation and amortization), which generally allows for a larger deduction than the previous EBIT standard (earnings before interest and tax), which did not take into account depreciation or amortization expenses in calculating the allowable business interest deduction.

The changes introduced by the OBBBA present a range of new opportunities for business owners. Whether it's taking advantage of enhanced deductions, revisiting entity structure, or planning for long-term growth, now is the time to consider how these updates may impact your business.

Connect with your Wilmington Trust advisor to explore how these changes align with your goals and to develop a proactive tax planning strategy for the years ahead.

Source: [H.R.1 - 119th Congress \(2025-2026\): One Big Beautiful Bill Act](#) | [Congress.gov](#) | [Library of Congress](#)

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