TTAA Legislative & Regulatory Update

July 14, 2025

Analysis: Key Provisions of the One Big Beautiful Bill Act (OBBBA)

•**Estate & Gift Tax Exemption Increased and Made Permanent**
-The lifetime exemption is now permanently $15 million per person, $30 million per couple (indexed for inflation), avoiding the sharp drop previously scheduled for 2026.

This is a major win for family-owned businesses giving owners more flexibility and certainty when planning generational transfers, avoiding forced sales, and protecting long-term legacy businesses.

•**Section 179 Deduction Expanded**
-Allows small- and mid-sized businesses to expense larger equipment and capital purchases immediately.

Makes it easier for car wash owners to invest in new equipment and specific tools, and facility upgrades without waiting for tax recovery.

•**Bonus Depreciation Extended Through 2030**
-100% bonus depreciation on qualifying property extended to January 1, 2031.

Supports expansion and modernization of existing car wash locations, inventory systems, and real estate development.

•**IRC 199A Made Permanent**
-Ensures the 20% deduction on qualified business income for pass-through entities remains in place long-term.

Provides permanent tax relief for many independently owned car washes and vendors with structured as S-Corps, partnerships, or sole proprietorships.

•**Immediate Expensing for R&D Costs Restored**
-Domestic R&D costs can now be deducted fully in the year they're incurred.

Industry Impact: Could benefit car wash manufacturers and large distributors investing in automation or supply chain innovation.

•**EV Tax Credits Eliminated**
-Federal EV incentives—$7,500 for new vehicles and $4,000 for used—will be phased out starting October 1, 2025.

•**Fuel Economy Penalties Eliminated (CAFE Standards)**
-Automakers will no longer face fines for failing to meet certain mileage benchmarks.

Other Notable Provisions

•**IRC 1202 Stock Gains Exclusion Enhanced**
-Small C Corp owners now enjoy expanded benefits when selling qualifying stock.

•**Standard Deduction Increased**

-Inflation-indexed increase simplifies filing and reduces taxable income for many individuals.

•**SALT Deduction Cap Raised**

-Deduction increased to $40,000 through 2028, subject to income limits.

•**Limits on Deductibility of Tips & Overtime Pay**

-Certain tip and overtime expenses are now capped for employer deductions.

•**Immediate Depreciation for Qualified Production Property**

-Full expensing for investments in new builds and equipment upgrades.

•**Child Tax Credit Expanded**

-Higher refundable limits and broader eligibility expand relief for working families.

•**“Buy American” Vehicle Deduction**

-From 2025–2028, consumers can deduct up to $10,000 for purchasing U.S.-made vehicles.

President Donald J. Trump Continues Enforcement of Reciprocal Tariffs and Announces New Tariff Rates

From the White House: On July 7, President Donald J. Trump signed an Executive Order determining that certain tariff rates, which were initially set to expire on July 9, will expire on August 1, 2025. President Trump also sent tariff letters to many countries informing them of their new reciprocal tariff rates, which will take effect on August 1.

• President Trump took these actions based on information and recommendations from senior officials, including information on the status of trade negotiations.

• Since President Trump modified the tariff rates roughly 90 days ago, dozens of countries have agreed or offered to lower their tariff rates and eliminate non-tariff barriers to move toward a more balanced trade relationship with the United States.

• Notwithstanding this significant and historic progress, the U.S. trade deficit remains severe.

• While the United States is open to additional trade discussions and deals, President Trump is taking action to establish trade relations going forward.

• President Trump sent letters to many countries explaining that, starting August 1, they will be subject to new reciprocal tariff rates designed to make the terms of our bilateral trade relationships more reciprocal over time and to address the national emergency caused by the massive U.S. goods trade deficit.

• In some instances, countries will be subject to a revised reciprocal tariff rate that is lower than the rate initially announced on April 2.

• For others, the reciprocal tariff rate may be higher than the previous rate.

• The President may send more letters in the coming days and weeks. The countries he sent letters to include:

• Japan (25%)
• Korea (25%)
• South Africa (30%)
• Kazakhstan (25%)
• Laos (40%)
• Malaysia (25%)
• Myanmar (40%)
• Tunisia (25%)
• Bosnia and Herzegovina (30%)
• Indonesia (32%)
• Bangladesh (35%)
• Serbia (35%)
• Cambodia (36%)
• Thailand (36%)

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