CHECKLIST

The OBBBA, one year later

It's been a year since the One Big Beautiful Bill Act (OBBBA) became law. Many of its provisions for businesses may still be worth a second look — particularly with the third quarter (Q3) quarterly estimated tax payment due September 15, 2026. The checklist below can serve as a starting point for a conversation with your advisor about whether any of these may apply to your situation.

Big purchases may now be deductible right away

If you've bought and placed in service equipment, machinery, or similar business property since January 19, 2025, it may be worth asking your advisor whether some or all of that cost could be deducted this year rather than spread out over time (two provisions may apply: 100% bonus depreciation and the expanded Section 179 expensing limit, each with different rules and planning considerations).

- [ ] Have you and your advisor reviewed what you've purchased and placed in service since January 19, 2025, to see what might qualify?
- [ ] If your business is a Subchapter C Corporation (or a partnership with C Corporation partners), consider whether existing limitations on the utilization of net operating losses created by bonus depreciation negate the potential tax savings. Your advisor should be able to run a present value analysis on this.
- [ ] Make sure that the assets you are considering purchasing will be used predominately in the U.S. Otherwise, they may not be eligible for bonus depreciation.
- [ ] If you're considering additional purchases before year-end, have you talked about whether the timing matters for your Q3 estimate?

Product development and engineering costs may be deductible sooner

If your business incurs costs to develop or improve products, software, or processes, it may be worth discussing with your advisor whether those costs could now be deducted right away instead of amortized over several years. Section 174A restored immediate expensing for domestic research and experimental expenditures.

- [ ] If this sounds applicable to your business, have you asked your advisor what immediate expensing could mean for your tax position?
- [ ] If your business incurred similar costs in 2022–2024 that were capitalized and amortized under the prior rules, have you explored whether there are options to expense those remaining costs rather than continuing to amortize them over time?
- [ ] If either of the above applies, have you checked whether it's reflected in the numbers behind your Q3 estimate?

Businesses with debt may have more room to deduct interest

If your business carries debt, the formula that limits how much interest expense can be deducted has changed — it's now based on a broader measure of earnings (EBITDA instead of EBIT), which for many businesses may mean more room to deduct.

- [ ] If your business was previously limited in how much interest it could deduct, have you asked your advisor to revisit that calculation under the new formula?
- [ ] If this changes the picture, could it be a useful input into any financing or borrowing decisions on the table for the second half of the year?

The pass-through business deduction and certain payroll credits are worth a fresh look

The deduction for qualified business income — available to many S-corps, partnerships, and sole proprietors — is now permanent rather than set to expire. OBBBA also added new individual deductions for certain overtime pay and tips, and new employer reporting rules.

- [ ] If earlier planning assumed this deduction might go away, have you discussed whether anything should change now that it's permanent?
- [ ] If your business has hourly or tipped employees, have you checked with your advisor and payroll provider on whether any reporting processes need to be updated — ideally before year-end?

Your state may not follow the same rules

Everything above relates to your federal return. States generally don't automatically follow all federal tax law changes, and a number of states — including Florida — haven't fully aligned with these changes.

- [ ] Have you confirmed with your advisor whether any of the items above apply differently — or not at all — on your state return(s)?
- [ ] If your business operates in more than one state, is this worth a closer look?

Whether any of these apply to your business depends on your specific facts and circumstances. Before finalizing your September 15 estimate, it may be a good time to check in with your Kaufman Rossin advisor to see whether any of the above is worth a closer look.