

Inside the One Big Beautiful Bill: 2025 Tax Legislation Unpacked

Teaser Video Transcript

Section 163(j) interest limitation

And you get to add back your full amount of bonus in those years. That's a pretty great answer for a lot of companies in terms of raising that limit. Now the Senate draft would go a step further and make that EBITDA calculation permanent after for starting with 2025. The Senate does add in a restriction around that makes it clear that a restriction for capitalized interest.

So in situations where companies may be capitalizing interest electively in order to kind of use that as a planning mechanism around this interest capitalization that would not be available for years after 2025. A little bit of a later start there for that provision. But when you're going back to EBITDA, you know that relieves a lot of the pain of the interest limitation. So that may not be as impactful for some companies, but something to be aware of because I know a lot of companies currently are, are taking advantage of that planning strategy. So that's the real.

Highlights on that business. I would just jump in and say, you know, as Ellen pointed out, there's a big focus on permanency in the Senate's bill. A lot of the things that they would like to do are very similar to the House, but they make them permanent. And that's one of the areas where they're going to have to resolve differences because that would cost more. And so while the House would like to make these things permanent, we will have to see whether or not the cost factor becomes a challenge for them going with full permanency.

Thanks, Storm. I appreciate it, Ellen, as always. I think everybody's watching this stuff closely. I think people are going to have to do a lot of modeling to see how these various impacts will play out on their taxable income in this year and years to come. So I'm sure we'll be coming back to you soon.