



## Tax Benefits for Small Businesses in the One Big Beautiful Bill Act (OBBBA)

The One Big Beautiful Bill Act (OBBBA) permanently extended the most impactful provisions of the Tax Cuts and Jobs Act (TCJA), sparking a surge in confidence across the U.S. economy.

According to a recent [CNBC|SurveyMonkey Small Business Survey](#), 46% of small business owners now rate the economy as “excellent” or “good,” up from just 30% in the previous quarter — a clear and dramatic shift showcasing the impact of the OBBBA and its many provisions designed to bolster small businesses across the country including:

### Lower Taxes For All

Thanks to the original TCJA, the corporate tax rate was permanently reduced from 35% to 21%, and a new 20% deduction was introduced for pass-through businesses. The TCJA's broad income tax cuts, which were made permanent in the OBBBA, also delivered significant relief to small business owners since most small businesses report income on individual tax returns.

### Higher Standard Deduction

By nearly tripling the standard deduction, TCJA reduced the need for itemized returns — making the number of individuals using them go from 30% to just 10% of all taxpayers. Permanent higher deductions means that thanks to the OBBBA small business owners will continue to save time and money during tax season.

### Higher Estate And Gift Tax Provisions

The OBBBA made permanent the TCJA's increased estate and gift tax exceptions. These are designed to protect small businesses and family farms from the prospect of foreclosure and liquidation upon their proprietor's death.

### Immediate Expensing of Equipment

Prior to the TCJA, businesses had to deduct their equipment costs over time. Inflation and the time value of money, however, frequently meant that they were never able to recover the full cost of their investments. Now, thanks to the OBBBA, which made this provision permanent, business owners can now deduct the full cost of new equipment in the year of purchase—simplifying tax prep and accelerating savings.

### Simplified Accounting Rules

Before TCJA, businesses with inventory or over \$5 million in gross receipts had to follow complex accounting rules. OBBBA makes permanent the TCJA provision allowing businesses with under \$25 million in receipts to use simpler cash accounting.

### Expensing Research and Development Costs

Prior to TCJA, the tax code penalized firms for investing in research and development (R&D) despite it representing a key driver of economic growth. The OBBBA extends the TCJA's pro-innovation reforms, ensuring the U.S. remains a global leader in innovation by keeping R&D investment affordable.