Title: One Big, Beautiful Bill . . . Simplified

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Date: 7/3/25

Category: Tax, Government Relations

Summary: The United States Congress has cast its vote in favor of "The One Big, Beautiful Bill" (OBBB), a sweeping tax reform initiative designed to overhaul the U.S. tax code.

This legislation encompasses a myriad of tax provisions, including the permanence of several existing measures, the repeal and modification of various others, and the introduction of new tax provisions.

In this advisory, we have summarized the most relevant information that you need to know in the following subject areas:

1. Business Tax
2. Employee Benefits
3. International Tax
4. Estate and Gift Tax

Look to Buchanan to provide ongoing guidance. For more information, please contact the relevant professionals listed in each section of the full alert.

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Article: The United States Congress has cast its vote in favor of "The One Big, Beautiful Bill" (OBBB), a sweeping tax reform initiative designed to overhaul the U.S. tax code. This legislation encompasses a myriad of tax provisions, including the permanence of several existing measures, the repeal and modification of various others, and the introduction of new tax provisions. After extensive deliberations and negotiations among Republican lawmakers over the past several months, a consensus was ultimately reached on a version that garnered the necessary support to pass both the House of Representatives and the Senate. President Donald J. Trump is poised to sign the OBBB into law imminently.

Key provisions of the OBBB include:

1. Business Tax:
    - Enhanced flexibility for domestic R&D costs, allowing immediate deductions or varied amortization options.
    - Reinstatement of 100% first-year "bonus depreciation," an increase in the Section 179 deduction cap to $2.5 million, and the addition of a 100% depreciation allowance for certain commercial real property.
    - Makes the 199A (QBI) deduction provisions permanent and keeps the deduction rate of 20%.
    - Expansion of business interest deduction and modification to excess business loss calculation.
    - Permanent renewal of the QOZ program with modified eligibility and reporting requirements.
    - New incentives for rural and agricultural investments, plus expanded low-income housing tax credits and permanent extension of the New Markets Tax Credit.
    - Temporary increase in the SALT cap.
    - Three significant expansions to qualified small business stock (QSBS) benefits under Section 1202.
    - Spaceports treated like airports under exempt-facility bond rules.
2. Employee Benefits:
    - Enhancement of paid Family and Medical Leave credits.

- New ACA requirements for eligibility verification.
- New restrictions on Employee Retention Credit (ERC) claims and changes to the statute of limitations.

3. International Tax:
   - Adjustments and modifications to the applicable rules for foreign tax credits, foreign-derived intangible income (FDII), global intangible low-tax income (GILTI), and base erosion anti-abuse tax (BEAT).
   - Changes rate of tax for FDII to 33.34%, GILTI to 40% and BEAT to 10.5%.
   - Modifies the determination of deemed paid credit for taxes properly attributable to "tested income" under subpart F inclusions from 80% to 90%.
   - Changes sourcing rules for certain income from the sale of inventory produced in the United States.
   - Permanently extends the look-thru rule for related controlled foreign corporations.
   - Restores the limitation on downward attribution of stock ownership in applying constructive ownership rules.
   - Imposes a 1% remittance tax on certain cross-border transfer transactions.
   - Includes a new Section 951B tax regime named the "Foreign Controlled U.S. Shareholders."
   - Repeals the election for 1-month deferral in determination of taxable year of specified foreign corporations under Section 898(c) (effective after November 30, 2025).
   - Modifications to pro rata share rules under Section 951 (effective after December 31, 2025).
4. Estate and Gift Tax:
   - Permanent increase in the unified credit and GSTT exemption threshold from $10 million to $15 million per individual, indexed for inflation.

For more information, please contact the relevant professionals listed in each section of the full alert.

1. **Key Elements of The One Big, Beautiful Bill**
2. **Business Tax Provisions**

3. Research and Development Tax Benefits

Under current law, domestic research and development (R&D) expenditures must be capitalized and amortized over five years. The OBBB revises this by offering taxpayers increased flexibility and choice. For *domestic* R&D expenses incurred in tax years beginning after December 31, 2024, taxpayers may now elect to (1) immediately deduct R&D costs in the year incurred, or (2) capitalize and amortize costs over the useful life of the research (not less than 60 months). However, current law treatment of *foreign* R&D costs (capitalization and amortization over 15 years) is not changed.

In addition to expenses and capitalization, there are also favorable tax credits for qualifying R&D activities and small businesses. These include allowing businesses to claim a larger credit for qualifying R&D activities, which now includes a broader definition of eligible expenses, such as software development and certain types of engineering and design work. The OBBB also allows small businesses and startups to receive refundable credits, meaning companies can receive cash returns even if they have not yet generated taxable income.

4. Bonus Depreciation, Qualified Production Property and Section 179 Expansion

The OBBB modifies the existing bonus depreciation provisions, which currently only allow businesses to deduct 40% of the purchase price of qualifying assets in the year of acquisition. The adjustments include an increased deduction percentage as well as an extension of eligibility. The amended bonus depreciation provisions reinstate and make permanent 100% first-year depreciation for qualified property acquired and placed in service after January 19, 2025, with a transitional election to utilize reduced percentages for property acquired prior to that date and placed in service during a taxable year ending after that date. There are no retroactive changes to bonus depreciation for the 2023 and 2024 tax years.

In addition to bonus depreciation, another elective 100% depreciation allowance is added for qualified production property (QPP) placed in service through 2030. QPP covers newly constructed and certain existing non-residential real estate used for manufacturing, production, or refining of certain tangible personal property in the US. This new depreciation allowance generally applies to property (1) the construction of which begins after January 19, 2025 and before January 1, 2029 or (2) the acquisition of which occurs after January 19, 2025, although in both cases there are additional requirements that must be met.

Apart from bonus depreciation, a Section 179 deduction may be allowed for investment in qualified equipment and certain other assets subject to limitations (the "Section 179 deduction cap"). The OBBB increases the Section 179 deduction cap from $1 million to $2.5 million, with phase-outs beginning at $4 million for property placed in service after December 31, 2024.

5. 199A QBI Deduction

The OBBB makes the Section 199A deduction permanent. It also keeps the deduction rate at 20% and limits the phase-in range for certain businesses by increasing the amount from $50,000 to $75,000 for non-joint tax returns and from $100,000 to $175,000 for joint returns.

Finally, the OBBB proposes an inflation-adjusted minimum deduction of $400 for taxpayers who have at least $1,000 of QBI from one or more active trade or businesses in which they materially participate.

6. **Business Interest Deduction**

Under current law, taxpayers are generally allowed to deduct business interest expense only to the extent of business interest income plus 30% of adjusted taxable income (ATI) plus floor plan financing interest. The higher the calculation of ATI, the higher the amount of deductible business interest. The OBBB increases the amount of business interest expenses that taxpayers will be allowed to deduct by removing depreciation, amortization and depletion deductions from the calculation of ATI. Finally, the definition of "motor vehicle" is amended to allow the deduction of interest on floor plan financing for certain trailers and campers.

7. **Excess Business Losses**

The OBBB makes permanent the excess business loss limitation, which limits the amount of aggregate business deductions that a noncorporate taxpayer is allowed to deduct to the amount of aggregate gross income or gain attributable to trades or businesses of the taxpayer plus a threshold amount. The threshold amount is indexed for inflation ($313,000 for 2025). The OBBB also modifies the way in which aggregate business deductions will be calculated by adding to that amount any "specified loss," defined as an excess business loss disallowed under Section 461(l) for a taxable year beginning after December 31, 2024.

8. **Renewal of Qualified Opportunity Zone Program**

The Qualified Opportunity Zone (QOZ) program was created to stimulate economic development in distressed communities by offering tax incentives to investors who invest deferred capital gain in QOZs. The OBBB makes the QOZ program permanent with rolling ten-year QOZ designations, modified eligibility requirements and additional tax return and information reporting requirements.

<u>New Rolling Ten-Year QOZ Designations</u>: Effective as of July 1, 2026 (the initial "decennial designation date"), Governors will designate new QOZs, which will then be in effect for 10 years (*i.e.*, the first set of designations will be in effect from January 1, 2027, through December 31, 2036). On the tenth anniversary of each successive decennial designation date, Governors will designate new QOZs, which will be in effect for ten years. For example, on or before July 1, 2036, Governors will designate new QOZs, which will be in effect from January 1, 2037, through December 31, 2046. The OBBB modifies the requirements applicable to the designation of a QOZ by narrowing the definition of a low-income community. Also, special designation benefits for Puerto Rico have been eliminated.

<u>Tax Incentives for Investing Under New QOZ Program</u>: Deferred gain invested prior to January 1, 2027 will be recognized on December 31, 2026. That date has not been extended.

Taxation of capital gain invested in a Qualified Opportunity Fund (QOF) on or after January 1, 2027, will be deferred until the earlier of the date of disposition of such investment or five years from the date of the investment in a qualified opportunity fund. Once the investor holds its interest in the fund for five years, the investor obtains a 10% basis increase, which will ensure that only 90% of the deferred gain is taxed if the investment is held for at least five years. For investments in newly created qualified rural opportunity funds, 30% of the deferred gain is added to basis.

Under the new provisions, if a QOF investment is held for at least 10 years and up to 30 years, no tax is imposed on gain realized when the investment is sold or exchanged.

<u>New Tax Return and Information Return Requirements</u>: The OBBB imposes comprehensive reporting and tax return requirements on new and existing QOFs and OZ businesses. Increased penalties are added to ensure compliance.

The provisions in the OBBB leave a number of questions unanswered, including whether and how existing OZ businesses and projects are grandfathered once QOZ designations expire.

9. **SALT Cap Increase**

The deduction limit for payment of state and local taxes (the SALT cap) is temporarily increased from the current $10,000 to $40,000. That amount will then be adjusted for inflation, starting with $40,400 in 2026 and increased by 1% annually through 2029. In 2030, the deduction limit reverts to $10,000. However, the amount of the available deduction does phase down for taxpayers with a modified AGI of over $500,000, adjusted annually for inflation with a floor of $10,000.

10. **QSBS Expansion**

The OBBB includes three significant expansions to Section 1202, the exclusion of gain recognition for the sale of qualified small business stock (QSBS):

1. The required holding period for QSBS benefits for stock acquired after the applicable date would be reduced from 5 years to 3 years, with 50% benefits phasing in beginning after a three-year holding period. A four-year holding period rises to 75%, and a five-year holding period receives the full 100% exclusion.

2. $15 million (up from $10 million) of gain from stock acquired after the applicable date could be excluded. Note, however, that the 10x basis rule does not change, so the exclusion will apply to the greater of $15 million or 10x the taxpayer’s basis.

3. The permitted gross assets limit increases from $50 million to $75 million.

11. **Expanded Availability of Low-Income Housing Credits**

The low-income housing credit was adopted to incentivize the construction and rehabilitation of affordable rental housing for low-income families. The federal government allocates tax credits to state housing agencies, which then award credits to private developers for construction of affordable rental housing projects. The OBBB includes provisions to reform the credit and its eligibility requirements, which expand the tax credits that can be issued.

Increase State Housing Credit Ceiling Amount: By increasing the credit ceiling, the OBBB increases the amount of available credits.

Modify tax-exempt bond financing requirement: The OBBB allows additional buildings financed with tax-exempt bonds to qualify for housing credits without receiving a credit allocation from the State housing credit.

12. Permanent Extension of New Markets Tax Credit

Current law includes a New Markets Tax Credit (NMTC). The NMTC permits individual and corporate investors to receive a credit against their federal income taxes for making certain equity investments in qualified Community Development Entities (CDEs). CDEs provide investment capital for low-income communities. The NMTC is set to expire at the end of 2025. The OBBB permanently extends the NMTC.

13. Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property

Partial Tax Exclusion for Interest Income: The OBBB excludes from gross income 25% of interest income from qualified real estate loans received by FDIC insured banks, domestic entities owned by a bank holding company, state or federally regulated insurance companies, domestic subsidiaries of insurance holding companies or Federal Agricultural Mortgage Corporation (Farmer Mac).

Expansive Scope of Qualified Real Estate Loans: The partial exclusion applies to loans secured by (1) domestic farms and ranches substantially used to produce agricultural products, (2) domestic land substantially used for fishing or seafood processing, (3) any domestic aquaculture facility or (4) any leasehold mortgage for such property.

Our government relations professionals and attorneys are actively working to advance our clients' goals with respect to this legislation by providing analysis and guidance on navigating the complexities of the business tax provisions. For additional information, please contact Government Relations Principal Edward Hild (edward.hild@bipc.com), Tax Section Chair and Opportunity Zones Practice Group Leader Lisa M. Starczewski (lisa.starczewski@bipc.com), Business Tax Practice Group Leader Jared R. Johnson (jared.johnson@bipc.com) or Tax Counsel Philip R. Hirschfeld (philip.hirschfeld@bipc.com).

14. Employee Benefit Provisions

The OBBB includes a handful of provisions affecting retirement and welfare benefit plans, which include:

15. Treatment of Direct Primary Care Service Arrangements in Health Savings Accounts

Effective for months beginning after December 31, 2025, direct primary care service arrangements are not considered health plans and thus will not exclude an employee from qualifying for an HSA. A direct primary care service arrangement is medical care by primary care practitioners in exchange for a fixed periodic fee of no more than $150 per month per employee ($300 if multiple individuals are covered). Services excluded from this arrangement are procedures requiring general anesthesia, prescription drugs and laboratory services. In addition, fees paid under a direct primary care service agreement are treated as medical expenses and thus exempt from the prohibition that HSAs cannot pay for insurance.

16. Changes to Health Savings Accounts Concerning Bronze and Catastrophic Plans

Also effective for months beginning after December 31, 2025, health savings accounts will treat bronze level and catastrophic health plans as high-deductible health plans. As HDHPs, participants in such plans now qualify for HSA plans.

17. Enhancements and Extension of Paid Family and Medical Leave

The OBBB makes permanent paid medical leave and the tax credit under Code Section 45S, initially put in place by the TCJA. Employers that choose to offer paid family and medical leave can offset the costs of this benefit with credits against wages up to a percentage of the employee's wages covered by the employer. If the employer has an insurance policy for such benefits, the credit is the percentage of the benefit applied against total premiums paid for such insurance. To qualify, an employer must have a written family leave policy, but the employer will remain eligible if it has a "substantial and legitimate business reason" for failing to have a written policy in place. Also, family leave benefits which are either mandated by State or local law or paid by State or local government cannot be considered for purposes of the credit under Code Section 45S, nor can the employer take both a business deduction for family leave insurance premiums and apply the credit under 45S. This provision is effective for taxable years beginning after December 31, 2025.

18. Requiring Verification of Eligibility under the ACA Exchanges

Effective for taxable years beginning after December 31, 2027, individuals acquiring health insurance through an Exchange are subject to pre-enrollment verification of the individual's eligibility to enroll in the plan and to receive advance premium payments. Coverage for prior months is available in limited circumstances. Also, unless the applicant is enrolling during a special enrollment period because of a change in family size, verification includes the months prior to the date of application if the applicant applied for advance premium payments for the prior period. Information provided by the individual must include affirmations of household income and family size, whether the individual is an eligible alien, health coverage and eligibility status, and place of residence. Failure to meet verification and affirmation requirements does not make the individual ineligible to enroll in an Exchange plan, only ineligible for ACA premium assistance. In addition, by August 1 of each year, an Exchange must provide verification of the individual's eligibility to re-enroll in the following year. Finally, the Act gives the Exchange permission to use reliable third-party sources to collect verification information.

19. Disallowing Premium Tax Credits for Certain Coverage Enrolled in During Special Enrollment Periods

Effective for plan years beginning after December 31, 2025, under the ACA a qualified health plan will not include a plan enrolled in during a special enrollment period provided by the Exchange on the basis of the individual's expected household income in relation to a certain percentage of the poverty line, and which is not connected to an event or change in circumstances specified by the Secretary for Health and Human Services.

20. **Eliminating the Limitation on the Recapture of Advance Payment of Premium Tax Credit**

Effective for taxable years beginning after December 31, 2025, the OBBB removes the limitation on the amount of tax imposed for excess tax credits under the ACA (for example, in the event of increased household income). Under the amendment to the Code, an individual's tax liability would increase by the excess, if any, of the sum of the advance payments made on behalf of the taxpayer over the sum of the credits the taxpayer would actually be eligible for based on their income.

21. **Enforcement Provisions With Respect to COVID-Related Employee Retention Credits**

Effective as of the date of enactment, the OBBB modifies IRS enforcement of COVID-related employee retention credits (ERC) regarding the advice given, refunds, assessments, and claims on credits. Two important ERC provisions are:

Denial of Refunds Filed After January 31, 2024: The OBBB provides that ERC claims filed after January 31, 2024, are disallowed, regardless of whether such claims were timely and validly filed under existing law. The earliest date the statute of limitations expired for filing ERC claims was April 15, 2024, thus, bona *fide* claims filed by businesses and tax-exempt organizations related to both calendar years 2020 and 2021 will be denied.

Extension of Statute of Limitations: The OBBB also extends the statute of limitations on IRS assessments relating to the ERC to six (6) years for all applicable calendar quarters. The six (6) year period runs from the latter of (i) the date the original return was filed, (ii) the date the return is treated as filed under Code § 6501(b), or (iii) *the date on which the claim for credit or refund for the ERC was made*. While some employers claimed the ERC on their original quarterly Form 941, a substantial number of employers claimed the ERC by subsequently filing an amended Form 941-X for the applicable calendar quarter(s) in which they qualified. Accordingly, the OBBB substantially extends the statute of limitations for the majority of employers who claimed the ERC.

Our government relation professionals and attorneys are actively working to advance our clients' goals with respect to this legislation by providing analysis and guidance on navigating the complexities of these tax provisions. For additional information, please contact Government Relations Principal Edward Hild (edward.hild@bipc.com), Labor and Employment and Employee Benefits & ERISA practice group Senior Attorney Barbara L. Sanchez-Salazar (barbara.sanchezsalazar@bipc.com) or Labor and Employment and Employee Benefits & ERISA practice group Shareholder John E. McGrady (john.mcgrady@bipc.com).

22. **International Tax Provisions**

23. Extension and Modification of Tax Cuts and Jobs Act Provisions

The OBBB modifies and makes permanent expiring tax provisions in the Tax Cuts and Jobs Act (TCJA) for the "global intangible low-taxed income" (GILTI) – renamed, as the Net CFC Tested Income (NCTI) and the "foreign-derived-intangible-income" (FDII) – renamed as the Foreign-Derived Eligible Income (FDDEI). For tax years beginning after December 31, 2025, the OBBB sets the NCTI deduction percentage at 40% and the FDDEI deduction percentage at 33.34%, respectively. In addition, the OBBB establishes a 10.5% rate for the base erosion anti-abuse tax (BEAT).

24. Other Noteworthy U.S. International Tax Provisions in the OBBB

- The OBBB reinstates Section 958(b)(4), which was repealed in the TCJA. The rule was designed to block downward attributions such that a foreign corporation is not automatically attributed to a U.S. parent. Section 958(b)(4) was reinstated to avoid unintentional creation of additional controlled foreign corporations (CFC) and unnecessary subpart F filings.

- The OBBB also includes a remittance transfer tax at a reduced rate of 1% that imposes an excise tax on certain cross-border remittance transfers, effective for transfers sent after December 31, 2025. The tax applies to both U.S. and non-U.S. citizens.

- Additionally, the OBBB: (i) includes a new Section 951B, which introduces a new tax regime titled the "Foreign Controlled U.S. Shareholders"; (ii) amends Section 863(b) sourcing rules for property produced by a taxpayer in the U.S. but sold outside the U.S. and attributable to a foreign office or fixed place of business; (iii) permanently extends Section 954(c)(6)(C) CFC look-through exception; and (iv) amends Section 960(d)(1) to increase the deemed paid credit for subpart F inclusions from 80% to 90% (the provisions are effective for taxable years after December 31, 2025)

Our government relations professionals and attorneys are actively working to advance our clients' goals with respect to this legislation. For additional information, please contact Government Relations Principal [Edward Hild](edward.hild@bipc.com) (edward.hild@bipc.com) or Tax Counsel and Chair of Blockchain and Digital Asset Practice Group Sahel A. Assar (sahel.assar@bipc.com).

25. Estate and Gift Tax Provisions

26. Permanent Increase in Estate, Gift and Generation Skipping Transfer Tax Exemptions: From Sunset to Sunrise

With Congress's passage of the OBBB, the unified credit for estate and gift taxes and the generation-skipping transfer tax (GSTT) exemption have been permanently increased from $10 million per individual to $15 million per individual, indexed for inflation. This amendment prevents the sunset of the "bonus exemption" established by the Tax Cuts and Jobs Act (TCJA) that was slated to occur at the end of this year.

The unified credit allows individuals to transfer wealth without incurring federal estate and gift taxes up to a specified limit. Similarly, the GSTT exemption allows transfers to certain future generations without incurring additional tax. By raising the exemption amount to $15 million, individuals will be able to pass on greater wealth to their heirs without the burden of transfer taxation, thereby encouraging wealth accumulation as well as larger lifetime gifts and transfers within families.

Once signed into law by President Trump, the permanence of this increase will allow for more strategic long-term financial planning, as individuals will be able to confidently make decisions regarding wealth transfers without the looming uncertainty of potential tax increases resulting from the temporary nature of the exemption. The increased exemption may necessitate a reevaluation of existing trust structures and the establishment of new ones. Therefore, families should take a proactive approach and thoroughly review their existing estate plans in light of the increased exemption and adjust their current plans accordingly, as well as consider the timing and amount of lifetime gifts to maximize tax benefits. By understanding and leveraging the changes implemented by the OBBB, individuals can optimize their estate plans to minimize tax liabilities, maximize wealth transfer, and achieve their long-term financial goals.

Our government relations professionals and attorneys are actively working to advance our clients' goals with respect to this legislation by providing analysis and guidance on navigating the complexities of the estate and gift tax provisions. For additional information, please contact Government Relations Principal Edward Hild (edward.hild@bipc.com), Florida Tax, Trusts & Estates Practice Group Co-Leader Jennifer M. Rodriguez (jennifer.rodriguez@bipc.com), Wealth & Succession Planning Practice Group Leader Carol A. Kelley (carol.kelley@bipc.com), or Florida Tax, Trusts & Estates Practice Group Co-Leader Roselvin S. Edelman (roselvin.edelman@bipc.com).

27. **Looking Forward to Next Steps**

Once the OBBB is signed into law by the President, the next step will be implementation. Action will turn to the rulemaking process, where the Department of Treasury will propose and finalize regulations related to each of the tax provisions. Buchanan's attorneys and government relations professionals will continue to monitor and provide additional analysis on the implementation of the OBBB, as well as personalized guidance on navigating the complexities of the new tax provisions. Look for additional client advisories as the impact of the OBBB.

Title: Surprises and Opportunities for Nonprofits in Massive New Tax Bill

Link: https://www.bipc.com/surprises-opportunities-for-nonprofits-in-massive-new-tax-bill

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Category: Education, Tax, Government Relations

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This legislation encompasses a myriad of tax provisions, including making several existing measures permanent, the repeal and modification of various others, and the introduction of new tax provisions.

Learn more about this Bill's key takeaways for exempt organizations.

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The following is a high-level summary of certain key provisions relating to tax exempt organizations:

28. **New Rate Structure for Private College/University "Endowment Tax"**

The excise tax on net investment income, applicable to certain private colleges and universities, is replaced with a new tiered system, based on an institution's "student-adjusted endowment," as follows:

Student-Adjusted Endowment	Excise Tax Rate
$500,000 - $749,999	1.4%
$750,000 - $1,999,999	4%
$2,000,000+	8%

29. **Expansion of Excess Compensation Tax**

The 21% excess compensation excise tax, currently imposed on compensation of more than $1 million paid by nonprofits to their five highest compensated employees, is expanded to apply to all current (and former) employees.

30. **New Limit on Charitable Deduction for Itemizers**

The deduction for individual charitable contributions is now limited to contributions in excess of 0.5 percent of an individual's taxable income. This essentially creates a new "floor" for the charitable deduction.

31. **New Limit on Charitable Deduction for Corporations**

The deduction for corporate charitable contributions is now limited to contributions in excess of one percent of a corporation's taxable income. Similar to the new individual limit, this creates a new "floor" for the charitable deduction.

32. **New Charitable Deduction for Non-Itemizers**

A new charitable income tax deduction is created for non-itemizing taxpayers, allowing deductions of up to $1,000 for single filers and $2,000 for married couples filing jointly.

33. **New Income Tax Credit for Contributions to Scholarship Awarding Charities**

A new income tax credit is created for charitable contributions made, in cash, to "scholarship granting organizations," generally defined as tax-exempt organizations that provide scholarships to elementary and secondary school students. Notably, the credit allowed to a taxpayer is limited to $1,700. Students who benefit from the scholarships must be members of a household with an income not greater than 300 percent of their area's median gross income (determined by the Department of Housing and Urban Development) and be eligible to enroll in a public elementary or secondary school.

34. **Whaling Boat Captains Rejoice**

Notable only as a classic example of "pork barrel politics," Senator Lisa Murkowski of Alaska, a key holdout during passage of the legislation, was able to obtain a concession that, presumably, is of some import to her constituents: an increase in the maximum deduction applicable to expenses associated with traditional, subsistence bowhead whale hunts, from $10,000 to $50,000.

35. Now What?

Once the OBBB is signed into law by President Trump, the next step will be implementation. Buchanan's attorneys and government relations professionals will continue to monitor and provide additional analysis on the implementation of the OBBB, as well as personalized guidance on navigating the complexities of the new tax provisions for exempt organizations. Look for additional client advisories on the impact of the OBBB. For additional information, please contact Nonprofit Organizations Practice Group Leader Joshua D. Headley (joshua.headley@bipc.com) or Government Relations Principal Edward Hild (edward.hild@bipc.com).