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Notice from the NYS Department of Taxation & Finance (the “Department:” Effective November 2025, the Department will deactivate Online Services accounts that have not been used within the past three years. Read the Department policy [here](#) on the Department’s website.



“Tax reform is not an event but a process...[it is] a lot like cleaning out your garage. Just because you cleaned it last week, do you really expect that it will never need cleaning again?”

Joseph J. Thorndike, published in the 10th edition of *As Certain As Death: Quotations About Taxes*, published by Tax Analysts in 2012.

SMALL BUSINESS MANAGEMENT TEAM

Michael B. Dolan, CPA, Partner
 Diane M. Straka, CPA, Partner
 Scott A. Cain, CPA, Partner
 Lisa A. Mrkall, CPA, MBA, Partner
 Karen K. Belzile, CPA, MBA, Principal
 Richard J. Gilmartin, CPA, Principal
 Melissa S. Roshong, CPA, Principal
 Mary L. Shetler, CPA, CFE, Principal
 Melissa Wasieczko, CPA, Principal
 Joseph M. Becht, CPA, CGMA, Sr. Mgr.
 Michele A. Loretto, CPA, Sr. Manager
 Michael P. Zeoli, Jr., CPA, Sr. Manager

One Big Beautiful Bill: Key Changes Impacting Businesses

By Amanda M. Ziehm, Staff Accountant

The One Big Beautiful Bill (OB BB) brings sweeping tax changes to U.S. businesses. Below is a quick look at some of the key changes:

Qualified Business Income Deduction

Section 199A was set to expire after 2025, which is a 20 percent deduction for qualified business income. The QBID has now been made permanent and the phase-out thresholds for income limits have increased. A new minimum \$400 deduction was added for taxpayers with at least \$1,000 of qualified business income. The QBI deduction is available to specified non-corporate taxpayers from a partnership, S-corporation, or sole proprietorship.

Form 1099 Information Reporting

The OB BB addressed the controversial information return reporting requirements better known 1099 filings. Effective for payments made after 2025, the reporting threshold for Form 1099-NEC and Form 1099-MISC increased to \$2,000 (from \$600) with the threshold being indexed annually for inflation for years after 2026. The Form 1099-K requirements were also

updated with reporting now required where total payments for the year exceed \$20,000 and total transactions exceed 200.

Bonus Depreciation & Section 179 Expense

First-year bonus depreciation has been permanently extended and reinstated to 100 percent for qualifying property placed in service on or after January 19, 2025. The limits for Section 179 immediate expense for certain business property have also increased to a maximum amount of \$2.5 million with the phase-out threshold amount increased to \$4 million.

QPP Special Depreciation

The bill allows for an additional first-year bonus depreciation deduction equal to 100 percent of the adjusted basis of “qualified production property,” which is generally nonresidential real property used in manufacturing. The QPP construction must begin after January 19, 2025, and must be placed in service before January 1, 2031.

Research & Experimental Expenses

The bill allows taxpayers to immediately deduct domestic research and experimental (R&E) expenses, which

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Community Spotlight: BISON Children's Scholarship Fund

Most everyone can agree that getting a good foundational education is key to the success one may have throughout his or her life. It matters little what career or job one aspires to have. Knowing how to read, write and think critically are essential to making the most of our abilities.

The BISON Children's Scholarship Fund plays a significant role in broadening educational opportunities for Western New York children by helping low-income families afford the cost of private K-12 schools.

Founded in 1995, the BISON Children's Scholarship Fund has been privately funded by businesses and individuals from the WNY community who understand and value the educational development of our young Western New Yorkers. Over 41,000 scholarships have been provided to low-income children to attend the K-8 program of their choice with scholarships and tuition assistance. This partial tuition assistance from the BISON Children's Scholarship Fund empowers parents to choose the school that best meets their child's needs. Starting in 2019, the BISON Children's Scholarship Fund was able to expand their scholarship and tuition assistance program to enable hundreds of BISON K-8 scholars to continue their education at the private high school of their choice.

Over 77 elementary and high schools within the eight counties of Western New York participate with the BISON Children's Scholarship Fund. For information on donating to the BISON Children's Scholarship Fund, participating schools, or eligibility for a scholarship, visit <https://bisonfund.org/>.

Or, reserve a table or purchase a sponsorship to support their annual **Celebration Luncheon** on October 21, 2025. More information may be found [here](#).



OBBB: Early Termination of Energy Incentives

By Jeffrey A. Redband, Staff Accountant

The One Big Beautiful Bill (OBBB) brought sweeping changes to the U.S. tax code, which included a significant overhaul to the energy-related tax incentives that were enacted as part of the Inflation Reduction Act of 2022. The bill curbs many energy incentives available to both individuals and businesses by accelerating expiration dates. Below are some of the affected energy incentive changes:

Energy-Efficient Home Improvement & Residential Energy Property Credits

Both energy efficient home improvement and residential energy property credits for qualifying property have been terminated after December 31, 2025. However, for the remainder of 2025 taxpayers may be eligible for credits on certain improvements to their primary residence that meet Energy Star or high efficiency code requirements including exterior doors; exterior windows and skylights; insulation or air sealing material or systems; home energy audits; central air conditioners; natural gas, propane, or oil water heaters, furnaces and hot water boilers; electric or natural gas heat pumps and water heaters; biomass stoves and boilers; and certain electric panelboards, circuits and feeders.

Residential Clean Energy Credits

The residential clean energy credit is equal to 30 percent of expenditures on qualifying clean energy equipment, which includes solar electric and solar water heating property; fuel cell property; small wind energy property; geothermal heat pump property; and battery storage technology. This credit has also been terminated after December 31, 2025.

New Energy-Efficient Home Credit

The new energy-efficient home credit is available for qualified energy-efficient

newly constructed homes that are Energy Star certified or meet the Zero Energy Ready Home standard. These credits have been terminated with an effective date of June 30, 2026.

Energy-Efficient Commercial Buildings Deduction

The energy efficient commercial buildings deduction will be terminated for property with construction beginning after June 30, 2026. Taxpayers are eligible for a deduction for an amount equal to the cost of energy-efficient commercial building property placed in service before that date with some limitations based on square footage and other specified criteria.

Clean Vehicle Credit & Qualified Commercial Clean Vehicle Credit

The clean vehicle and qualified commercial clean vehicle credits have been terminated for vehicles acquired after September 30, 2025. The credit amounts vary and are subject to a host of requirements and limitations.

Previously Owned Clean Vehicle Credit

The previously owned clean vehicle credit has also been terminated for vehicles acquired after September 30, 2025. This allowed for a credit of the lesser of \$4,000 or 30 percent of the vehicle sale price with strict limitations on vehicle model year, sale price, dealer transfer rules, and the vehicle had to be purchased for personal use and not for resale.

Alternative Fuel Vehicle Refueling Credit

The alternative fuel vehicle refueling credit is available for the installation of qualified refueling or recharging property such as EV chargers in qualified locations and is now terminated for property acquired after June 30, 2026.

OBBB: What's New For Individual Taxpayers?

By Robert J. Laino, Staff Accountant

Enhanced Deduction for Seniors

The OBBB introduces a new, temporary \$6,000 deduction specifically for seniors age 65 and older (whether collecting Social Security benefits or not), effective for tax years 2025 through 2028. The senior deduction will phase out when the taxpayer's modified adjusted gross income exceeds \$75,000 for single filers and \$150,000 for joint filers.

No Tax on Tips

The OBBB created a new temporary deduction for individuals who receive qualified cash tips in occupations where tipping is customary. The deduction is up to \$25,000 per year per taxpayer and can be claimed by those taking the standard deduction. The deduction phases out by \$100 for every \$1,000 of modified adjusted gross income above \$150,000 for single filers and \$300,000 for joint filers. The deduction is set to expire after 2028.

No Tax on Overtime

Another temporary deduction was created for individuals who receive qualified overtime compensation. Taxpayers may deduct up to \$12,500 per year in qualified overtime compensation (\$25,000 for joint filers). The deduction phases out by \$100 for every \$1,000 of modified adjusted gross income above \$150,000 for single filers and \$300,000 for joint filers. The deduction is set to expire after 2028.

No Tax on Car Loan Interest

Individual taxpayers cannot deduct interest on loans used to purchase vehicles for personal use. However, the OBBB provides individuals with a new temporary tax deduction for interest paid on a new vehicle loan acquired between 2025 and 2028. The deduction is capped at \$10,000 per year and phases out when modified adjusted gross income exceeds \$100,000 for

single filers and \$200,000 for joint filers. Vehicles must have had their final assembly in the United States and must serve as collateral for the loan.

Trump Accounts

The OBBB introduced a new type of tax-preferred investment account for children called a "Trump account." The account would be exempt from tax, similar to a Roth IRA. Contributions are limited to \$5,000 annually to be funded with after-tax dollars. Contributions can be made by parents, relatives, employers, amongst others; until the child reaches 18 years of age. Distributions are restricted until the beneficiary reaches 18 years of age subject to some exceptions. To be eligible for an account, the child must be a U.S. citizen with a Social Security number. Under the newborn pilot program, the federal government will contribute \$1,000 per child into every eligible account for U.S. citizens born between January 1, 2025, and December 31, 2028.

Individual SALT Limitation

One of the most controversial provisions in TCJA was the lower \$10,000 cap imposed on the individual federal deduction for state and local taxes. The OBBB retroactively increases the individual SALT deduction cap to \$40,000 for 2025, \$40,400 in 2026 and by an additional 1 percent annually through 2029. Modified adjusted gross income phase-outs apply, but the SALT deduction cannot be reduced below \$10,000. The individual SALT limitation increase is temporary and will revert to \$10,000 beginning in 2030. There were no changes made to the pass-through entity tax (PTET) that was created as a workaround to the lower SALT cap.

Non-Itemizers' Charitable Deduction

Prior to the OBBB, no provision allowed individuals to deduct charitable

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Future of Artificial Intelligence

By Richard J. Gilmartin, CPA, Principal

Artificial Intelligence or "AI" for short is dominating today's business headlines with 88 percent of businesses saying they are currently adopting AI according to the research organization McKinsey.

Industries leading the way in the adoption of AI include healthcare, financial services, manufacturing, retail, transportation, and logistics. In healthcare, AI is being utilized to analyze medical images with speed and accuracy leading to earlier and more precise diagnostics, development of personalized treatment plans, and tracking of patient health metrics by using wearable technology. Financial service organizations are using AI to analyze data in real time, which can spot unusual transactions that may help prevent or detect fraud; perform risk management, assess market trends, and provide 24/7 customer support.

In manufacturing, "smart factories" use automation and robotics to improve production efficiency, reduce waste, and improve quality control. AI is also using sensors to predict potential equipment failures to minimize downtime and maintenance costs. Supply chain optimization improves production schedules and inventory levels. Uses of AI in retail include personalizing shopping experiences based upon customer data and buying history to recommend products that may yield increased sales and customer satisfaction. AI aids with inventory management that can reduce over stocking and waste; and AI powered chatbots provide fast customer service, answer questions and can resolve issues. Transportation and logistics businesses are using AI for route optimization which reduces fuel costs and improves delivery times, to analyze real-time traffic data to reduce traffic congestion and to even deploy self-driving vehicles.

The above are just a few of the industries currently utilizing AI, which has applications for virtually every business from screening resumes to streamline the hiring process; to analyzing employee feedback to identify areas for organizational improvement; to creating marketing and social media posts using generative AI; to extracting key information from lengthy documents, handling IT support tickets and just about any other routine tasks previously performed by humans.

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OBBB: Individual Tax Provisions Made Permanent

By Alexander J. Obie, Staff Accountant

While several tax provisions have been adjusted or expanded, many of the core elements introduced under the Tax Cut and Jobs Act of 2017 (TCJA) have now been made permanent by the One Big Beautiful Bill (OBBB). Below are some of those provisions:

Individual Income Tax Rates

The TCJA temporarily modified the number of income tax brackets and reduced income tax rates for individuals, trusts, and estates. These changes were set to expire after 2025 and have now been made permanent under the OBBB and will be indexed annually for inflation.

Personal Exemptions & Standard Deduction

Under the TCJA, personal exemption deductions were temporarily suspended from 2018 through 2025, while increasing the standard deduction amounts. Both were set to expire at the end of the year. The OBBB permanently eliminates the personal exemption deduction for most taxpayers and makes permanent the standard deduction increase.

Mortgage Interest Deduction

The mortgage interest deduction was limited to the first \$750,000 of home mortgage acquisition debt under the TCJA and was set to increase back to \$1 million after 2025. The bill makes this limitation permanent and now treats certain mortgage insurance premiums

on acquisition indebtedness as qualified residence interest.

Home Equity Debt

Interest on home equity debt remains non-deductible, unless the funds are used to buy, build, or substantially improve the taxpayer's primary residence that secures the loan. This limitation is now permanent.

Miscellaneous Itemized Deductions

Miscellaneous itemized deductions such as unreimbursed employee expenses and tax preparation fees have been permanently suspended. However, the bill adds an exception for unreimbursed employee expenses for eligible educators, which includes K-12 teachers, instructors, counselors, coaches, and aids meeting a minimum hour's requirement which applies to tax years after 2025.

Moving Expenses

The moving expense deduction was permanently eliminated for most taxpayers, with the only exception being active-duty military members.

529 Education Savings Plans

While the structure of 529 plans remains the same, the bill allows tax-exempt distributions to be used for additional educational expenses in connection with enrollment or attendance at public, private or religious elementary and secondary schools, including homeschooling. The

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OBBB Business, Continued

were previously required to be capitalized and amortized over 15 years. For taxpayers that capitalized R&D expenses under the old Section 174 rules, the bill provides an opportunity to apply this change retroactively back to 2022 through amended returns. Research that is conducted outside of the United States must still be capitalized.

Qualified Small Business Stock Exclusion

Section 1202 provides for the partial exclusion of gain on the sale of qualified small business stock held for more than five years. This exclusion was enhanced for qualified small business stock acquired after the date of enactment of the bill and held for at least four years. It includes new tiered exclusion rates: 50 percent exclusion for stock held 3 years; 75 percent exclusion for stock held 4 years; and 100 percent for stock held more than 5 years. The eligibility limit has also been increased for gross assets at the time of issuance to \$75 million.

Business Interest Limitation

Section 163(j) limits the amount of interest a business can deduct. The OBBB made permanent and reinstated the EBITDA limitation, which means for purposes of the interest limitation, adjusted taxable income would be computed without regard to the deduction for depreciation, amortization, or depletion.

Charitable Deduction for C-Corporations

Charitable contributions made by C-Corporations, while allowed, have been modified to include a new 1 percent floor. Only charitable contributions exceeding 1 percent of taxable income are deductible, up to the 10 percent limit. Contributions in excess of that limit in any year can be carried forward for up to five years.

Please contact your Tronconi Segarra & Associates tax advisor for more information about how these and other OBBB provisions may impact your specific business.

Spotlight on: John Kandler, Staff Accountant



Meet John Kandler, a staff accountant in our Small Business Department who works each day to serve our small business clients.

John earned his MBA in Professional Accounting from Canisius University in 2024, and a Bachelor of Science degree in financial Analysis from the University at Buffalo in 2022. Prior to joining

Tronconi Segarra & Associates in 2024, John was a revenue analyst intern with Roswell Park Cancer Institute. In his role at our Firm, John provides financial statement compilations and reviews, and income tax preparation services for corporations and partnerships. Outside of the office, John enjoys hiking and walking with his dog, trying new baking recipes, and eating at new restaurants.

OBBB: Permanent, continued

expanded list of eligible expenses includes tuition; curriculum materials; books; online educational materials; tutoring; standardized testing fees; advanced placement exams; college admission fees; fees for dual enrollment at higher education institutions; and educational therapies for students with disabilities.

The OBBB increases the annual withdrawal limit for K-12 expenses from \$10,000 to \$20,000 for 529 account distributions effective after 2025. The bill further allows tax-exempt distributions to apply to qualified postsecondary credentialing expenses.

Other Dependent Credit

The \$500 non-refundable credit for other qualifying dependents such as elderly parents or children over the age of 17 remains unchanged and is now permanent. The IRS requires you to have the dependent's SSN or ITIN to claim this deduction.

Child and Dependent Care Credit

While the maximum eligible expenses remain at \$3,000 for one dependent and \$6,000 for two or more, the rates at which the credit can be taken have changed. The credit rate varies by the taxpayer's adjusted gross income (AGI), with a maximum credit rate of 35 percent that declines, as AGI increases, to 20 percent for taxpayers with AGI above \$43,000. This provision is effective for tax years after 2025.

Earned Income Credit (EIC)

The EIC remains the same in structure. While the credit amount adjusts annually for inflation, the eligibility rules and core mechanics of the credit have not changed.

Estate and Gift Tax Exemption

The estate tax exemption and lifetime gift tax exemption amount permanently increased to \$15 million per individual, indexed annually for inflation starting in 2026.

QBO: Key Tasks for a Smooth Year-End

By Karen M. Schott, Senior Accounting Analyst

As we embark on the second half of 2025, now is the perfect time to perform a mid-year review of your QuickBooks Online file. Staying ahead of year-end tasks in QBO will help ensure a smooth tax filing season and reduce stress for both you and your accountant. Here are a few essential tasks to tackle in QBO:

Upload and Attach Invoices & Receipts

If you have not done so already, take time to gather all invoices and receipts from throughout the year. Review your QBO file and:

- Upload missing receipts for expenses, especially any cash purchases
- Match receipts to transactions
- Use the mobile App to snap photos of receipts

Why it matters: These documents are vital for supporting your tax deductions in the event of an audit. Keeping them attached to transactions in QBO provides easy access.

Collect W-9s from Contractors & Vendors

If you have paid any independent contractors or vendors \$600 or more during 2025, you may be required to file Form 1099 for them. Prepare ahead of time and:

- Obtain a completed W-9 from each contractor or vendor
- Verify that the Tax ID number (TIN) and complete address are entered correctly in QBO

- Attach the completed Form W-9 to the vendor profile for easy access

Tip: Use QBO to send W-9 requests and track who has responded. Do not wait until January!

Reconcile Your Accounts

Make sure your bank and credit card accounts are reconciled monthly and are up to date. This ensures that your accounting records match your statements and helps prevent reporting errors.

Categorize & Review Transactions

Go through your uncategorized or unreviewed transactions now, rather than scrambling at the end of the year. Proper categorization helps your tax advisor maximize deductions and minimize audit risk.

Schedule a Mid-Year Review

Consider scheduling a brief mid-year meeting with your bookkeeper or tax advisor to resolve any lingering questions and to tie up loose ends to ensure your financials are tax ready.

Final Tip: Do not wait until January to get organized. Starting now gives you time to request and obtain any missing documents and correct potential errors.

If you have questions or need help gathering documents in QuickBooks Online, feel free to reach out to Tronconi Segarra & Associates. We are here to help make your tax season as smooth as possible!

IRS Business Recordkeeping Basics

Copies of tax returns. You must keep records that support each item of income or deduction on a business return until the statute of limitations for that return expires. In general, the statute of limitations is three years after the date on which the return was filed. Because the IRS may go back as far as six years to audit a tax return when a

substantial understatement of income is suspected, it may be prudent to keep records for at least six years. In cases of suspected tax fraud or if a return is never filed, the statute of limitations never expires.

Employment taxes. You are required to keep all employment tax records for at least 4 years after the date the tax

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OBBB: Some Things Remain Unchanged

By John P. Kandler, Staff Accountant

In the 2025 Reconciliation Bill otherwise known as the “One Big Beautiful Bill” or OBBB, there are an abundance of tax provision updates for tax years starting after December 31, 2025. There are, however, several pre-existing provisions for businesses that were not impacted and remain unchanged by the final bill.

Corporate and Pass-Through Entity Taxation

No changes were made to the corporate income tax rate or how pass-through entity business income is captured. C-Corporations will continue to be treated as separate legal entities from their owners, taxed at the federal flat income tax rate of 21 percent. This flat income tax rate applies to all C-Corporations, regardless of size or industry. Pass-through entities including S-Corporations, Partnerships and LLCs with income, loss, deductions, and credits will continue to flow directly to the owner’s individual tax return and are taxed at the owner’s personal income tax rate.

Excess Business Losses

Section 461(l) which limits pass-through business losses was scheduled to expire after 2025 and has now been made permanent. Disallowed losses become net operating losses and can be used in subsequent years, subject to NOL rules.

Small Business Accounting Methods

The OBBB sought expansion of the 2017 Tax Cuts and Jobs Act provision, which allows small businesses with average annual gross receipts for the three prior years below \$31 million to use the “cash method” of accounting, as opposed to the “accrual method.” The bill proposed increasing the average annual gross receipt threshold to \$80 million for manufacturing businesses. This increased threshold was not included

in the final bill; average annual gross receipts threshold remains \$31 million for 2025 for all industries.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to businesses for wages paid to an employee hired from a targeted group. The maximum credit is \$2,400 per employee hired but is set to expire after December 31, 2025.

Carried Interest

Carried interest is a form of performance-based compensation commonly used in private equity and other investment-managing partnerships. The general partner or fund manager will typically receive a portion of the profits earned from the investments managed (the “carry”). Carried interest compensation has historically been controversial due to its long-term capital gains tax treatment and is often the subject of proposed tax reforms. The controversy is two-fold: long-term capital gains are taxed at substantially lower rates (up to 20 percent) than the ordinary income rates (up to 37 percent), and capital gains are the result of selling an asset. The OBBB provided no additional provisions surrounding the treatment of carried interest.

Credit Union Tax-Exempt Status

Another controversial subject is credit unions, which have historically been exempt from federal income tax due to their not-for-profit structure, unlike traditional banks that operate for profit. Since 1934 with the passing of the Federal Credit Union Act, credit unions have continued to expand their membership base and service offerings. Banks argue that credit unions have begun acting more like traditional banks with their wide array of offerings, while also avoiding any tax implications, thus creating unfair competition. Again, the OBBB did not seek additional provisions or regulations on credit unions.

Recordkeeping Basics,

continued

becomes due or is paid, whichever is later. These records include payroll tax returns and employee time documentation.

Business assets. Records relating to business assets should be kept until the statute of limitations expires for the year in which you dispose of the asset in a taxable disposition. Original acquisition documentation, (e.g. receipts, escrow statements) should be kept to compute any depreciation, amortization, or depletion deduction, and to later determine your cost basis for computing gain or loss when you sell or otherwise dispose of the asset.

Specific Computerized Systems Requirements

If your company has modified, or is considering modifying, its computer, recordkeeping and/or imaging systems, it is essential that you take the IRS's recently updated recordkeeping requirements into consideration.

If you use a computerized system, you must be able to produce sufficient legible records to support and verify amounts shown on your business tax return and determine your correct tax liability. To meet this qualification, the machine-sensible records must reconcile with your books and business tax return. These records must provide enough detail to identify the underlying source documents. You must also keep all machine-sensible records and a complete description of the computerized portion of your recordkeeping system.

Some additional advice: when your records are no longer needed for tax purposes, think twice before discarding them; they may still be needed for other nontax purposes. Besides the wealth of information good records provide for business planning purposes, insurance companies and/or creditors may have different record retention requirements than the IRS.

New York State Secure Choice Savings Program

By Joseph M. Becht, CPA, CGMA, Senior Manager

In recent years, many states including New York have established programs to make it easier for businesses to provide retirement benefits and help employees save money for their future retirement. Due to a considerable number of individuals not having a retirement plan through their employer, New York State addressed this problem by passing a law in October 2021, establishing the Secure Choice Savings Program. The law says private-sector employers must provide retirement options if they employ 10 or more individuals in NYS at all times during the previous year; have been in business for at least two years; and have not offered a retirement plan to their employees in the previous two years. Eligible employees must be eighteen years or older.

How does it work?

The New York Secure Choice Savings Program automatically enrolls eligible employees in a Roth Individual Retirement Account (Roth IRA) and the contributions are taken from the employee's paycheck. The employer is responsible for remitting the payroll deductions to a state approved Roth IRA and must provide Secure Choice information and documentation to employees. In addition, the employer must process employee enrollment

elections. The standard default contribution rate is 3 percent. The account is portable, which means employees can keep contributing to their Roth IRA if they change jobs or move. Employees can decide the amount they want to contribute, and they can change their investment amount at any time. They can choose either a percentage of their wages, or a dollar amount up to the annual Roth IRA contribution limits. This flexibility empowers employees to save the amount that is right for them. Employees who are eligible to participate in the program will be automatically enrolled in the Secure Choice Savings Program, but employees are not required to participate. They can choose to opt-out at any time.

When does it go into effect?

The development of the New York Secure Choice Savings Program is still ongoing. However, the Secure Choice Board has been currently working to have a mandate go live before the end of 2025 and has already started a pilot program for selected employers to voluntarily try the program. Once the Secure Choice Board opens enrollment, covered employers will be required to set up payroll deposit Roth IRAs for their employees within nine months of that date.

Before the Secure Choice Savings Program goes into effect, employers who do not sponsor any type of retirement plans for their employees may want to determine if they will be subject to the New York State mandatory retirement rules. For further information regarding the New York Secure Choice Savings Plan, please visit securechoice.ny.gov.

OBBB Individuals,

continued

contributions without electing to itemize deductions. The bill provides a new permanent provision for non-itemizers beginning in 2026. Non-itemizers may deduct annually up to \$1,000 of qualifying charitable contributions for single filers and \$2,000 for joint filers.

Child Tax Credit

The child tax credit was permanently increased to \$2,200 per qualifying child for 2025 with \$1,700 being refundable, both adjusted annually for inflation. The higher modified gross income phase-out limitations of \$200,000 for single filers and \$400,000 for joint filers were also made permanent.

Wagering Losses

Currently, wagering losses are deductible only to the extent of winnings. The OBBB imposes a new 90 percent limitation on the offsetting of losses from wagering transactions against reportable winnings, effective after December 31, 2025.

Future of Artificial Intelligence, *continued*

While there is no denying the potential transformative power of AI that can be measured in saved work hours that shifts the human role to higher value work, and increased productivity and efficiency, there are cautionary factors that businesses need to be aware of. These include the cost to invest in data infrastructure, governance,

and security. Cybersecurity professionals emphasize the risk of connecting AI with private company data; and lawmakers want regulations implemented. Businesses and the individuals they employ will need skills, adaptability, creativity, and resilience when implementing AI to capitalize on the great opportunities that this technology offers.

Be sure to visit our website - www.TronconiSegarra.com - for more information on a wide range of accounting, tax and other related topics.