



The Financial Impact of the Big Beautiful Bill

Our group of wealth experts cover the financial impact of the Trump administration's "Big Beautiful Bill," tax implications, and other financial topics.

BY DON BUTLER

When Congress passed the One Big Beautiful Bill Act in July, the budget reconciliation framework addressed extending tax breaks from the 2017 Tax Cuts and Jobs Act (TCJA) and a slew of other updates. We asked our panel of wealth advisors to help unpack the myriad of changes.

Participants include:

- Reinhart Boerner Van Deuren S.C. Attorney, Trusts and Estates Practice **Matt Ackmann**, and Shareholder, Corporate and Tax Practices **Doug Huenink**
- Richmond Financial Services Principal Officer and LPL Financial Advisor **Matt Richmond**, MBA, and LPL Financial Advisor/Planner **Courtney Krogstad**, CFP
- Ellenbecker Investment Group President & Senior Wealth Advisor **Julie Ellenbecker-Lipsky**, CFP, CDFA, and Director of Tax Planning **Sandra Geisler**, CPA
- IAG Wealth Partner and Chief Investment Officer **Scott D. Heins**, CFP
- Shakespeare Wealth Management Partner and Financial Advisor **Brian Ellenbecker**, CFP, EA, CIMA, AEP, CPWA, CLTC
- WaterStone Investment Services Senior Wealth Advisor **John Gehlhaart**
- Wealthspire Senior Vice President **Jennifer Giemza**, CFP, CEPA

(Please note that financial advice is individually tailored and opinions may change; comments below are intended as overall observations, not recommended courses of action without a consultation.)

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Matt Ackmann



Doug Huenink



Matt Richmond



Courtney Krogstad



Julie Ellenbecker-Lipsky



Sandra Geisler



Scott D. Heins



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Jennifer Giemza

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What are some of the repercussions of the Big Beautiful Bill for investors?

Doug Huenink, Reinhart Boerner Van Deuren: Generally, the Big Beautiful Bill (the “BBB”) contained a lot for investors to be excited about. On the income tax side of things, a number of provisions will be beneficial, including:

- The cap on deducting state and local taxes (the “SALT Cap”) was quadrupled, from \$10,000 to \$40,000 (\$20,000 for married filing separately) through 2029, phased down for taxpayers with modified gross income over \$500,000.
- The Qualified Opportunity Zone program was made permanent and revamped, although certain benefits under the program were capped.
- IRC § 1202 was modified to expand qualification, increase exclusions and provide for partial exclusions, which could benefit investors acquiring certain C corporation stock.

The BBB also made permanent many of 2017 Tax Cuts and Jobs Act (TCJA) changes, such as the increased standard deduction, which was increased further under the BBB. In addition, 100% bonus depreciation was reinstated and made permanent. Similarly, the Qualified Business Income deduction under IRC § 199A, which reduces the top marginal effective tax rate (from 37% to 29.6%) on qualified business income from pass-through entities, was made permanent.

Of course, the BBB wasn’t all sunshine and rainbows. For example, the BBB made permanent the TCJA’s elimination of miscellaneous itemized deductions, making it difficult (and often impossible) to deduct things such as investment expenses and legal fees. In addition, significant modifications and restrictions were imposed on the alternative energy sector (particularly solar), making new ventures in that space more difficult.

Matt Ackmann, Reinhart Boerner Van Deuren: From a transfer tax perspective, the BBB brings certainty. Over the past several years, the laws relating to gift/estate and generation-skipping transfer (“GST”) taxes has been in flux, given developments out of Washington.

Matt Richmond and Courtney Krogstad, Richmond Financial Services: When analyzing legislation of this size—often more than 1,000 pages—it’s important to remember that the law itself is only

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— Jennifer Giemza, Wealthspire

the starting point. Interpretation, rulemaking, and eventual enforcement add layers of complexity. For that reason, we adopt a “go as you know” philosophy: monitor what’s enacted, assess evolving guidance, and then determine practical implications.

At a high level, this bill enacts sweeping changes across health care, taxation, government spending and regulatory oversight. Because the effects vary widely by individual and circumstance, our best advice is to work directly with your legal, tax and investment professionals. They can help identify how the bill intersects with your situation. For example:

- How do you use health care benefits?
- How and where do you invest?
- Are you a business owner or an employee?
- What role do charitable contributions play in your financial strategy?
- What is your current estate plan (wills/trusts, etc.)?

Your financial structure and long-term goals will help guide how these changes affect you.

Scott Heins, IAG Wealth Partners: Evaluating the client impact of legislation requires analyzing both what did change and what didn’t change.

The good news is that favorable tax rates on capital gains and dividends were not changed and remain in place indefinitely. Additionally, the current favorable income tax rates were extended indefinitely and the individual brackets slightly expanded. Add in the new \$6,000 per person federal tax deduction for taxpayers age 65 and over, and there’s additional capacity to convert taxable IRA accounts to tax-free Roth IRA accounts while potentially remaining in a lower federal tax bracket.

Couple this with Wisconsin’s decision to exempt up to \$24,000 per person of retirement income starting in 2026, and Wisconsin retirees’ after-tax income should increase in both 2025 and 2026.

Jennifer Giemza, Wealthspire: The passage of the One Big Beautiful Bill appeared to permanently extend tax cuts for the majority of investors. However, it’s important investors consider one of the longer-term potential repercussions of the OBBB.

According to the Congressional Budget Office (CBO), the bill’s tax cuts are expected to add trillions to the federal deficit, increasing the risk of future tax hikes or spending cuts, which could create long-term planning uncertainty for investors. This uncertainty could come in the form of stock market volatility, higher inflation, interest rate uncertainty, or future tax law changes. All of these can make long-term financial planning decisions more difficult for investors.

Brian Ellenbecker, Shakespeare Wealth Management: The good news is that a significant portion of the tax code has been made permanent, including tax rates, the higher standard deduction, the child tax credit, the repeal of personal exemptions, and most rules related to itemized deductions.

Unfortunately, there are several new charitable planning changes that may impact how people give to charity. (*Editor’s note: We’ll cover these more in the November issue.*)

One of the biggest headline-grabbers was the increase in the state and local tax (SALT) cap. Previously, a taxpayer could only deduct up to \$10,000 of state income taxes and property taxes. From 2025 to 2029, taxpayers will now be able to deduct up to \$40,000.

However, this deduction starts to phase out once modified adjusted gross income (MAGI) hits \$500,000, and is reduced all the way back to \$10,000 once MAGI reaches \$600,000. The deduction and income cap increase by 1% annually between 2026 and 2029.

If you have the ability to pay your property taxes in a different calendar year, you may want to consider bunching deductions to ensure you maximize your itemized deductions in a year you’re already over the standard deduction.

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Sandra Geisler, Ellenbecker Investment Group: The “One Big Beautiful Bill Act” (OBBA) makes permanent many provisions from the 2017 Tax Cuts and Jobs Act (TCJA), including lower individual and corporate tax rates. Targeted tax relief for lower-income households (e.g., Social Security benefit tax cuts) is expected to increase consumption, potentially boosting GDP.

The bill doesn’t lower the main U.S. corporate income tax rate (which remains at 21%); however, the OBBA does make several significant modifications to the taxation of multinational corporations, some of which effectively reduce the tax burden for certain types of income.

The new bill also includes favorable treatment of Qualified Small Business Stock (QSBS). These changes aim to further incentivize investment in startups and small businesses. There are nearly 1000 pages in the OBBA tax legislation report, so we recommend meeting with a tax advisor to digest how it will affect each taxpayer individually. **MKE**

GET MORE WEALTH MANAGEMENT ADVICE FROM THE PROS IN OUR ONLINE STORY, INCLUDING THOUGHTS ON:

- Potential changes to capital gains taxes or the Net Investment Income Tax (NIIT) that could affect tax liability
- The outlook for inflation and interest rates for the remainder of 2025, and the type of climate it might create for investors
- Additional wealth ramifications of the Big Beautiful Bill

Next Issue:
Experts discuss how changes in the Big Beautiful Bill impact retirement savings and charitable donations.



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