

How to Take Advantage of the New Tax Law

A Step-by-Step Guide for Small Businesses

The “One Big Beautiful Bill Act” brings significant tax changes and benefits for small businesses.

This guide summarizes several key provisions and outlines actionable steps to help you prepare and maximize opportunities for your business.



U.S. Chamber of Commerce

1 Permanently Claim the 20% Qualified Business Income (QBI) Deduction

Who qualifies Sole proprietors, partners, and S corporation shareholders.

What to do

- Calculate your qualified business income (QBI) for the year.
- Deduct 20% of your QBI on your federal tax return every year—this deduction is now permanent.
- If your QBI deduction is low, check your eligibility for the new inflation-adjusted minimum deduction (at least \$400).
- If you were previously ineligible for the deduction, determine whether changes to the phase-in of existing limitations make your business eligible.

Action item

Work with your accountant or tax professional to determine your eligibility and claim the maximum deduction each year.

2 Immediately Deduct Qualifying Research & Experimental (R&E) Expenses

Who qualifies

Businesses with domestic R&E spending, especially those with average annual gross receipts of \$31 million or less.

What to do

- Track your U.S.-based R&E expenses each year.
- Deduct 100% of your qualifying R&E expenses this year on your 2025 tax return.
- If your annual gross receipts average \$31 million or less, you may apply this benefit retroactively for tax years 2022–2024.

Action item

Review past returns with your tax professional to seek retroactive refunds if eligible.

3 Maximize Write-Offs on Equipment, Building Improvements

Who qualifies

Small businesses that made certain purchases of equipment, machinery, computers, software, furniture, and certain building improvements.

What to know

- New rules allow businesses to immediately expense certain qualified property (e.g., equipment and machinery) instead of spreading deductions over several years.
- Businesses may also be eligible to immediately write off 100% of the cost of qualified production property (e.g., a new U.S. factory or other manufacturing facility) that is placed in service between Jan. 20, 2025, and Jan. 1, 2031.
- Immediate and larger deductions may lower your tax bill and free up cash for payroll, inventory, and growth.
- Refer to your tax advisor on whether any of your purchases qualify for these new, expanded expensing rules.

Action item

Consider accelerating or increasing purchases of machinery, software, or other qualifying property to maximize this deduction.

5 Maximize the Enhanced Employer-Provided Child Care Credit

Who qualifies

All businesses providing employee child care; expanded benefits for small businesses (gross receipts \leq \$31 million for 2025).

What to do

- Claim a tax credit of up to \$500,000 and up to 40% of qualified child care expenses.
- If your business qualifies as “small,” claim up to \$600,000 and 50% for expenses.
- Pool resources with other businesses or use third-party providers to offer child care.

Action item

Evaluate options for providing or expanding employee child-care benefits or programs; coordinate with nearby businesses if pooling is an option.

4 Take Advantage of Enhanced Qualified Small Business Stock (QSBS) Exclusion

Who qualifies

Individuals and other non-corporate investors in qualifying C corporations.

What to do

- Invest in the stock of qualifying small C corporations, the definition of which was expanded by the new law.
- Hold the stock for more than five years to exclude an even greater amount of capital gain realized on its sale or exchange.

Action item

Consult your tax advisor when planning such equity investments or dispositions.

Quick Checklist

- ✓ Confirm QBI deduction eligibility and amount.
- ✓ Identify and deduct all domestic R&E expenses; review past years for refund opportunities.
- ✓ Maximize write-offs on equipment and building improvements.
- ✓ Review QSBS eligibility when raising capital or investing.
- ✓ Assess and implement employer-provided child care benefits; claim enhanced credits.
- ✓ Talk with tax advisor about no tax on tips and overtime for your employees.



Does the new law help grow your business?

Tell us how.

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