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US Corporate Tax Changes in the OBBBA

President Trump restored many of the corporate investment tax incentives that had expired from the 2017 TCJA, and made many of them permanent changes in US tax law.

Provision	Current law	One, Big, Beautiful Bill
Statutory rate	21%	21% *(unchanged)*
Bonus depreciation (short-term investments)	40% depreciation	100% depreciation *(permanent change)*
Domestic R&D expensing	5-year amortization	100% upfront expensing restored *(permanent change)*
International R&D expensing	15-year amortization	15-year amortization *(unchanged)*
Manufacturing structures	N/A	100% expensing for qualifying structures *(in year of service, if built 2025 -28)*
Semiconductor manufacturing	25% tax credit	35% tax credit *(effective Jan 2026)*
Intangible drilling costs (IDCs) in corporate AMT calculation	5-year amortization	100% upfront expensing
Business net interest expense deduction	Capped at 30% EBIT	Capped at 30% EBITDA *(permanent change)*

International Tax Provisions

The 2017 TCJA had three notable international tax provisions designed to increase the US tax base, facilitate the transition from a worldwide to territorial tax system, encourage the migration of intangible assets (and related taxable income) back to the US and minimize tax avoidance strategies. The 2025 OBBBA made small and permanent changes to both the structure and rate of those TCJA provisions.

Provision	Current law	One, Big, Beautiful Bill
Global Intangible Low-Tax Income (GILTI)	10.5% - 13.125%	• 14.0% (after Dec 31, 2025) *(permanent change)* • Renamed: Net CFC Tested Income • Repeals Qualified Business Asset Investment (QBAI), applying 14% to all Net CFC Tested Income
Foreign Derived Intangible Income (FDII)	13.125%	• 14.0% (after Dec 31, 2025) *(permanent change)* • Renamed: Foreign-Derived Deduction Eligible Income • Repeals QBAI, applying 14% to all qualifying income
Base Erosion and Anti-abuse Tax (BEAT)	10.0%	• 10.5% *(permanent change)* • No name change • Permanently extends use of specified tax credits

Phase Out of IRA Clean Energy Tax Incentives

The OBBBA scales back clean-energy tax credits enacted under the IRA of 2022 through a phase-out schedule that varies by sub-sector.

Phase-out of US clean energy tax credits

Wind & Solar Production
Tax credits end in 2028, unless construction begins within year of enactment

Hydrogen Production
Tax credits eliminated after 2027

Hydropower, Nuclear, Geothermal
Tax credits phased out after 2033, end by 2036
Original statutory timeline

Energy-Efficient Commercial Buildings
Deductions eliminated in 2026

Residential Energy Efficiency Upgrades
Tax credits eliminated in 2026

Electric Vehicle Tax Credits
Tax credits eliminated for vehicles purchased after Sept 30, 2025

Foreign Entity of Concern (FEOC) Restrictions
Excise taxes & foreign content thresholds for wind, solar, nuclear, clean fuel production and advances manufacturing

Tax Code Changes Notably Absent from the OBBBA

Key tax provisions feared, but NOT included in the OBBBA

Section 899 "revenge tax"

Would have authorized retaliatory tax increases on foreign companies (incremental 5% per year)

Changes to carried interest

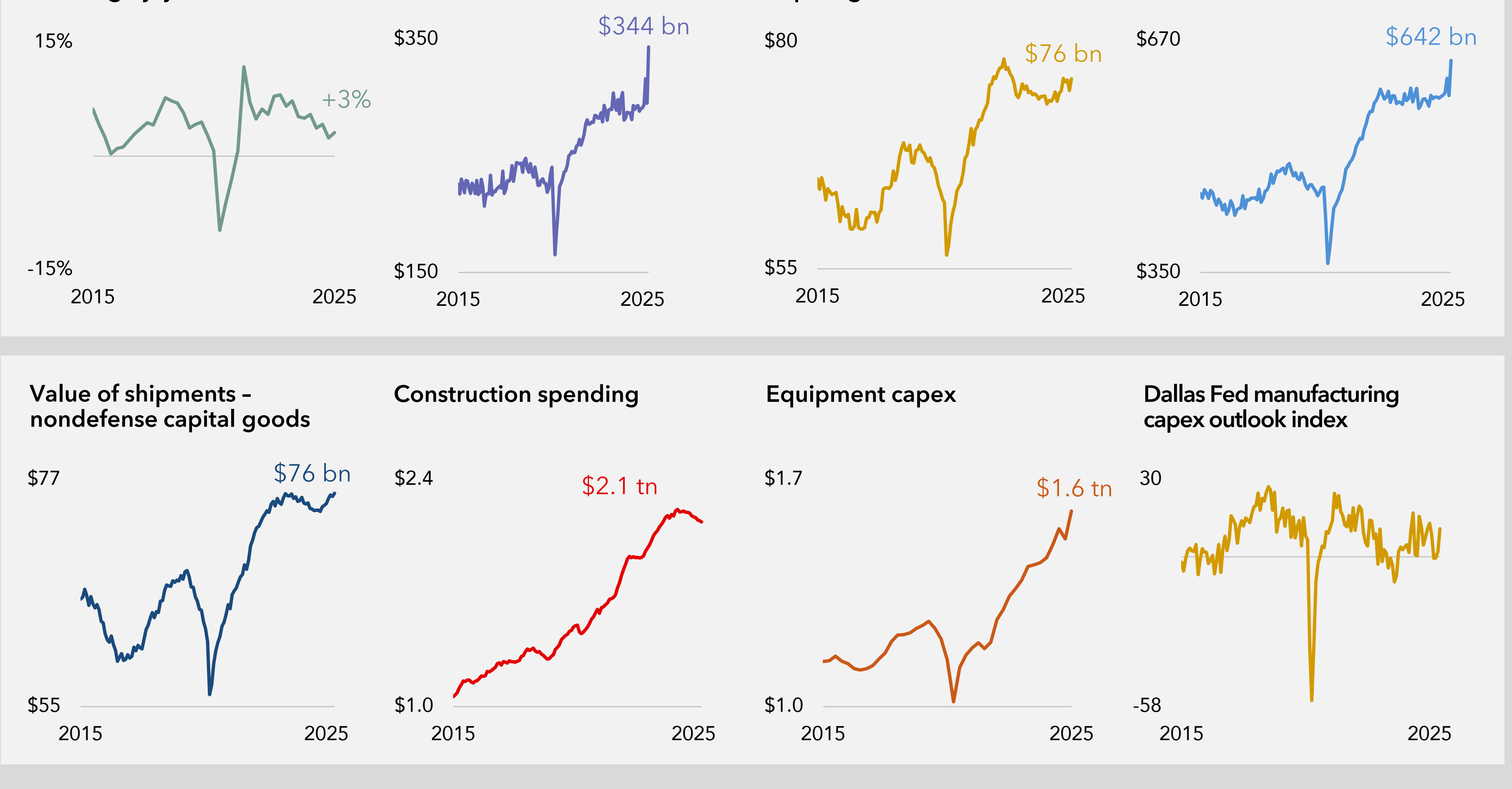
Changes to the preferential tax treatment for PE & hedge fund partnership profits

Changes to stock buyback excise rate

The 2022 Inflation Reduction Act established a 1% excise tax on value of stock repurchases

Tech Driven Resurgence in 2025 CapEx Cycle

The OBBBA made *permanent* changes to the US tax code that incentivize rapid upfront spending on US domestic property, manufacturing facilities of various kinds, equipment and R&D. The "permanence" of the provisions allow more reliable longer term planning. In addition, structural elements of the incentives, including requirements on construction from 2025-28, and the full upfront depreciation benefit in the first year of "service", combine to create more expedited timelines for capex investment.



Source: (1-4) Bloomberg. EY. Senate Finance Committee. CBO. (5-12) FRED. Business investment is real gross private domestic , fixed, nonresidential investment. Data as of July 14, 2025. Nondefense capital goods new orders & shipments is ex-aircrafts. Empire State and Kansas City Manufacturing Survey is 6 month ahead expectations for capital expenditures.

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"Macro stability isn't everything, but without it, you have nothing."