

Overview of the One Big Beautiful Bill

Many of AGC's Priorities on [tax](#), [workforce](#), and [border security](#) are included in the bill negotiated by Congress and the [Trump Administration](#). Passage of this bill ensures our nation does not default on its debt and ensures most construction companies will not face a 20% tax increase – which would have been a higher rate than before the 2017 Tax Cuts and Jobs Act (TCJA) passed.

✓ Pros for Construction	✗ Cons for Construction
Individual Tax Rate: Permanently extends TCJA individual tax rates, ensuring pass through construction firms avoid a tax increase.	Highway Trust Fund (HTF): Omits fees on electric and hybrid vehicles, to be deposited into the HTF, as in the original House legislation.
Estate Tax: Permanently extends, and indexes to inflation, the estate tax exemption of \$15 million, to help family-owned construction companies dealing with an unexpected loss of the owner.	Energy Efficiency Upgrades: Phases out a variety of tax incentives for clean energy upgrades to commercial and multifamily buildings. In addition, 179D deductions for energy efficient upgrades to commercial buildings effectively end after June 2026.
State and Local Tax Deduction: Increases the SALT deduction cap to \$40k, increasing by 1 percent each year until 2030 at which point it reverts back to \$10k. This will provide additional tax relief for companies operating in states and localities that have high taxes.	Renewable Energy Manufacturing: Phases out (75%→ 0%, 2031-34) tax credits that incentivize the retrofit and construction of manufacturing plants to create renewable energy components such as solar panels and battery cells.
Bonus Depreciation: Permanently extends 100 % bonus depreciation for new and used equipment which allows immediate write-offs.	Low Carbon Construction Materials: Rescinds Inflation Reduction Act funding for programs to incentivize low carbon construction materials.
Expensing Caps for Construction Equipment: Increases expensing cap to \$2.5 million with a \$4 million phase out and allows additional write-offs for machinery, trucks and software.	Excess Business Losses: Permanently extends the limitation on claiming excess business losses in a given year and requires those losses to be spread over multiple years.
Research and Development Expensing: Permanently extends 100% R&D expensing so companies can fully deduct the cost of new and used equipment and technologies like drones and BIM in the year purchased	Renewable Energy Construction: Phases-out of a variety of Inflation Reduction Act clean energy and fuel tax credits that incentivized the construction of renewable energy facilities and upgrades. <ul style="list-style-type: none"> • 45Y – Wind and solar credits stop for facilities placed in service after 2027 and facility must have started construction 1 year after bill passes. Other renewable energy phases out by 2032. • 48E –Wind and solar credits stop for facilities placed in service after 2027 and phases in increased domestic content requirements up to 55% after 2026 • 45V – Hydrogen facilities must now begin construction before 2028 to receive credits and projects that miss that cut-off lose the credit entirely.
Pass Throughs: Permanently extends the 199A Qualified Business Income Deduction, ensuring small and medium sized construction firms avoid a 20% tax increase set to take effect in 2026.	
Construction Workforce: Expands Pell Grant eligibility for short-term workforce aligned programs and expands qualified expenses under 529 savings plans to cover post-secondary training and credentialing.	
Border Wall Construction: Provides over \$46 billion in funding for a border wall and other infrastructure like access roads.	
Multifamily Construction: Exempts percentage-of-completion accounting method requirements for residential contractors (i.e. apartments, student housing, senior living), allowing builders to recognize revenue (and taxes) when a project is completed rather than at the end of each year.	

Other Significant Provisions

Immigration Enforcement: Includes \$150 billion for ICE, CBP, immigration courts, detention expansion, and state-level border assistance.

Overtime deduction: Caps overtime pay deduction at \$12,500 (individual) and \$25,000 (joint filers) with income phaseouts (for tax years 2025-2028).