

One Big Beautiful Bill – Section 179 Expensing Power Expands for 2025

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As part of the One Big Beautiful Bill Act signed July 4, 2025, there were some significant increases to the Section 179 limits.

For tax years beginning in 2025, the maximum amount of section 179 that can be claimed on qualified property has been increased to \$2.5 million. Under the old rules the 2025 limit would have been \$1.25 million.

Section 179 is subject to a phaseout after placing a certain amount of qualified property in service. The phaseout threshold now begins at \$4 million on qualified property (\$3.13 million in 2025 under the old rules). Any amount of qualified property placed in service over the \$4 million threshold will reduce the maximum amount of Sec. 179 that can be claimed dollar for dollar.

Both the maximum amount of section 179 and the phaseout threshold will be indexed for inflation each year.

Qualified property includes:

- Section 1245 property, for example, computers, equipment, furniture and fixtures.
- Computer software
- Qualified real property, which includes qualified improvement property, roofs, heating ventilation and air-conditioning property, fire protection and alarm systems and security systems.

Contact Us for Guidance

The new tax legislation in the OBBB is expansive and complex, impacting individuals, businesses, and estates alike. Please see our previous [email blast](#) regarding this new legislation. Contact your Johnson O'Connor service team member today to discuss how the new law impacts you or your business. O'Connor service team member today to discuss how the new law impacts you or your business.

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