

Summary of Key OBBBA Takeaways for Private Equity and Family Office Stakeholders

The 2025 tax reform bill, P.L. 119-21, often referred to as the “One Big Beautiful Bill Act,” has sweeping implications for a range of private equity (PE) stakeholders, including funds, family offices, fund managers and portfolio companies.

	P.L. 119-21 Provision	Summary	PE Stakeholders*
1	Business Interest Limitation	Primarily restores and makes permanent a more favorable method for calculating ATI.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices Portfolio Companies
2	100% Bonus Depreciation and R&D Deduction	Provides significant tax incentives through immediate expensing of investments and domestic R&D costs.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices Portfolio Companies
3	Qualified Small Business Stock Exclusion	Expands benefits of the exclusion, making investments in QSBS more attractive.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices Portfolio Companies
4	Carried Interest	Carried interest remains unchanged and continues to be taxed as capital gains, rather than ordinary income.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices
5	Gift & Estate Tax Exemptions	Increases the federal gift and estate tax exemptions, providing the ability to make tax-free transfers of assets.	<ul style="list-style-type: none"> Fund Managers
6	International Taxes	Implements targeted updates to U.S. international tax rules for improved predictability and alignment with global standards.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices Portfolio Companies
7	Disguised Sales	Treats transactions similar to sales of partnership interests as taxable sales, closing loopholes that defer or avoid gain recognition.	<ul style="list-style-type: none"> Fund Managers
8	Excess Business Loss Limitation	Permanently extend limitations on EBLs to ensure clear guidelines and support effective planning for the use of carryforward losses.	<ul style="list-style-type: none"> Fund Managers PE Funds/Family Offices

*Definition of terms:

PE Funds: Investment vehicles, including family offices

Fund Managers: Entity/individual managing the fund

Portfolio Companies: Private equity-backed companies

Let Us Guide You Forward

The 2025 tax reform presents both challenges and opportunities for those operating in the private equity industry and undertaking M&A. PE stakeholders must stay ahead of the curve to remain successful and compliant. Our industry-focused tax advisers can help you and your organization interpret the new rules and align strategies for long-term success. Connect with your Cherry Bekaert advisor today.

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