

# More winners and losers from the Trump tax bill

By [Michael Cohn](#) July 15, 2025, 4:43 p.m. EDT 10 Min Read



*President Donald Trump displays the signed bill during a ceremony for the One Big Beautiful Bill Act on the South Lawn of the White House in Washington, D.C*

The massive tax and spending bill that President Trump signed into law on July 4 contains plenty of provisions that will benefit companies, unless they're in the renewable energy industry. Colleges and universities will also take a hit, as will taxpayers who depend on Medicaid, food assistance and owe money on their student loans.

The legislation is generally known as the One Big Beautiful Bill Act, but the Senate Parliamentarian struck that out as its official name.

"Things are generally good for businesses outside of the renewable energy space, and things are generally bad for the research universities," said David Shapiro, chair of the law firm Saul Ewing's tax and employee benefits group. "From the research university perspective, we obviously have this increased excise tax, and they've taken some of the smaller colleges out of

the calculation. Any college with an enrollment of less than 3,000 is excluded, but anything larger than that, the rates go from 1.4% up to 8%."

The taxes can add up for the larger universities.

"The thing that most people didn't notice, at least at first, is that in the Senate bill, they introduced an expansion of what is subject to the tax," said Shapiro. "It's not just regular endowment earnings, but it also now covers any royalty income, whether traditional royalties or milestones from intellectual property developed by any university or college in which any form of federal funds were used in that development. Since virtually all research programs have some amount of federal funding, what it means effectively is that all the colleges, the research institutions that rely on their royalty streams from, say, life sciences or technology, as the driver of a lot of their spend, and that's where a lot of their income is coming from, that's also going to be subject to the excise tax. So higher tax covering more things, that was the big news on the tax-exempt front."

There's also an expanded tax on endowments.

"It's a fairly sweeping provision," said Shapiro. "If you have the endowment as a separate legal entity, that'll be swept in. And there's a broad anti-abuse provision, which says, anything that you might do to try to slice and dice and isolate, they're supposed to look through that and combine everything into a single [entity]. There is a special rule that says if you've got an endowment trust that funds multiple universities, then, although it has to be included in the universities' tax calculations, it's only going to be included in one place. So it's either all going to one, or you whack it up, so there's that double tax on the endowment itself. It's a huge thing for a lot of universities. A lot of the same universities rely on some amount of, say, life sciences royalties, and with hospitals, they're dependent on the Medicaid reimbursements as part of their hospital budgeting. That's something I know they're working on, and that's just overall affecting their economics."

On the other hand, for businesses, there are many favorable provisions, including expanded tax breaks for qualified small-business stock, which previously had to be held for five years to be eligible for a 100% capital gains exclusion. Now there's a tiered system for stock acquired after July 4, 2025, with a 50% exclusion for three years, 75% for four years, and 100% for five years or more.

The bill also makes permanent the qualified business income deduction of 20%, and increased phase-in income limits to \$75,000 (or \$150,000 for joint filers), while adding a minimum deduction of \$400 for taxpayers with at least \$1,000 of QBI from an active trade or business, which will be adjusted for inflation.

"Some are just extensions of the current rules," said Shapiro. "For instance, the 199A 20% qualified business income deduction. That's been permanently extended, so pass-through businesses get taxed effectively at a lower rate than the individual tax rate."

There's also an extension of 100% bonus depreciation that was made permanent.

"Anything with a 20-year useful life, pretty much any equipment that you're placing in service, you can fully write that off rather than do regular depreciation," said Shapiro. "That's a pretty nice incentive. There's even one that surprised me a little bit, but as a push to get more

manufacturing onshore, there's a special limited-term ability to expense the full building as well, if you're making a manufacturing plant and you start construction now and place it in service before the end of 2030, if you're building a manufacturing plant, doing agricultural production or chemical production, oil or gas. It specifically excludes electric production, so wind and solar do not qualify here. This is really about making stuff or converting one thing into another, like a refinery or natural gas type production."

## Energy tax provisions

While some tax breaks are still available for some types of renewable energy businesses, others are being rapidly phased out.

"We already have seen some project cancellations where they hadn't commenced," said Shapiro. "There was no way that they would be able to be completed in time. But in at least one of those projects, I know there were also some political headwinds, and when you add this in as well, anything where there would be any resistance, you're going to be knocked out. There may be other opportunities as well. There are other programs which have some measure of appeal than these other incentives that are around, but there's definitely the incentive to definitely be making stuff rather than making renewable energy."

There are more stringent requirements for renewable energy projects.

"The bill said that you had to have the asset placed in service by 2027 but also you had to start construction on that facility within one year of the enactment date," said Ian Boccaccio, principal and income tax practice leader at tax firm Ryan. "If you're in solar or wind and you want the [Investment Tax Credit], that basically means you have to have what's called the beginning of construction by July 4, 2026. The beginning of construction has been broadly safe harbored in the past through a couple of IRS notices that were published over the past five years, and there were two tests that you could do, either/or, to get 'beginning of construction' status. So it's important that these companies do one of these two safe harbors inside of the next year."

"The first one is called the physical work test, and that really just means that the work to build the facility is significant in nature," he explained. "It's kind of a qualitative standard that many of these projects use to prove that beginning of construction has occurred. The other test is called the 5% project cost test. If you have 5% of the total cost of the project spent when you hit that 5% mark, you've been deemed to have met the beginning of construction safe harbor."

Companies have been able to rely upon these two safe harbors in the past, but on the Monday after [passage of the bill](#) on Friday, July 4, there was an [executive order](#) on July 7 [requiring the Treasury](#) to publish regulations within 45 days that address the beginning of construction.

"It indicates perhaps we can't rely upon these two standards anymore, which we've relied upon for the past five or 10 years," said Boccaccio. "It has people in the renewable energy industry questioning what will they need to do to meet the beginning of construction test by July 4, 2026. Can they rely upon these old two standards that have been in the notices, or does this executive order mean that Treasury is going to redefine what meeting the beginning of construction means? That's why I say renewable energy companies aren't just impacted from a tax perspective. It actually impacts the way they operate."

That will cause many companies to either cancel projects they had planned or try to expedite them as quickly as possible to try to meet that beginning of construction test.

These provisions effectively remove many of the incentives from the Inflation Reduction Act. "I would say that not all technologies were punished, but specifically wind, solar, electric vehicles and charging stations," said Boccaccio. "Those were credits that were going to be here for some time and have been wiped out."

For electric cars, the credit is gone by September 2025, and for charging stations, it's gone as of June 30, 2026.

"For solar and wind, those credits are effectively phased out by the end of 2027, assuming they meet that beginning of construction test within the first year, by July 4, 2026," said Boccaccio. "Solar, wind, EVs, EV charging, they got whacked. They took it on the chin. They really were targeted. But renewable fuel actually got a benefit. The credits for renewable fuel under Section 45Z were supposed to end in 2027, but this bill extended those credits through 2029."

That includes renewable diesel fuel and other types of fuel that can be produced with zero emissions. "That also goes for zero emission nuclear power," said Boccaccio. "That's still good through 2032. Also, there is still a tax credit for manufacturing renewable components. That didn't go away under Section 45X. Also the credit for carbon sequestration under 405Q, that's still good through 2032 so the administration has seemed to pick and choose which technology should get which credits, but it's clear that solar and wind are not on their priority list."

On the other hand, he noted that the bill restores 100% bonus depreciation. "We had 100% bonus depreciation until 2023 and in 2023 it began to phase out at 20% each year," said Boccaccio. "In 2023 you couldn't deduct 100%. The bonus depreciation went down to 80% in 2023 and in 2024 it went down to 60%. In 2025 it was set to go to 40%, but this bill restores 100% bonus depreciation on any asset required placed in service after Jan. 19, 2025."

"That's significant," he added. "If I go and buy a building, I can segregate the costs between those assets inside the building that have a 20-year life or less from the parts of the building that have a 39-year life. It's called a cost segregation analysis. If I can segregate those costs of that building that I bought, and carve out those costs associated with assets that have lives of 20 years or less, I don't have to amortize the costs I've built up over 39 years. Those parts of that building that have a 20 year or less life I can immediately deduct through 100% bonus depreciation, again, spurring investment in the U.S.. The punchline is 2025, any asset with a 20 year life or less can be fully deducted if required after Jan. 19 2025. This is another significant reduction for 202. For taxable income, you take the R&D change plus depreciation change, and U.S. taxpayers are going to have a far smaller tax bill in 2025 because of these provisions."

## International taxes

On the international side, there were many provisions as well.

"As we all expected, it was providing incentives for domestic businesses, bringing jobs back to the U.S., and punishing businesses that leave the U.S. with harsher U.S. taxation of international income and benefits for domestic income," said Robert Christoffel, a counsel at Saul Ewing. "What was great news, I think, for clients in the sausage-making process of the bill,

clients were concerned about the reports of the 'revenge tax' that we first saw when the House Ways and Means Committee's first draft of the bill, and then the version that the House passed was similarly potentially egregious. The Senate Finance Committee version changed it a little bit. But lots of clients were still very anxious about this tax, and luckily, it got taken out in light of what we heard was an agreement by the U.S. Treasury with the G7 countries at their G7 meeting, ideally reducing the application of the Pillar Two global minimum tax to not apply to U.S. businesses. So essentially, you end up with a side by side system."

"It was definitely an 11th hour removal, but we were all breathing a sigh of relief," said Shapiro.

It's not clear what is going to happen to the Pillar Two taxes as they apply to U.S. businesses. "That is still an open question," said Christoffel.

He anticipates that a safe harbor that's currently scheduled to run out at the end of 2026 and protects U.S. companies from this tax increase in the European Union, will be made permanent.