

Abstract: Many tax law changes went into effect in 2025 under the One Big Beautiful Bill Act (OBBBA). But additional OBBBA provisions, as well as some annual inflation indexing, are going into effect in 2026. This article provides a sampling of some significant tax law changes for businesses this year.

2026 tax law changes for businesses

Here's a sampling of some significant tax law changes going into effect this year:

- Increase of the Section 179 expensing limit to \$2.56 million and the phaseout threshold to \$4.09 million (up from \$2.5 million and \$4 million, respectively, for 2025).
- Expansion of the income ranges over which the Section 199A qualified business income deduction limitations phase in, generally to \$201,750 – \$276,750 (up from \$197,300 – \$247,300 for 2025), double those amounts for married couples filing jointly.
- Reduction of the threshold for the excess business loss limitation to \$256,000 (down from \$313,000 for 2025), double those amounts for joint filers.
- Increase of the limitation on the use of the cash method of accounting to \$32 million (up from \$31 million for 2025).
- New option to claim the family and medical leave credit for up to 25% of insurance premiums paid or incurred during the tax year for active family and medical leave coverage instead of claiming the credit for up to 25% of eligible family and medical leave compensation paid.
- Elimination of certain clean energy incentives, such as the Section 179D deduction for energy-efficient commercial buildings and the alternative fuel vehicle refueling property credit (both after June 30, 2026).

Contact us to discuss how these or other changes might affect your business.

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