Hi Megan,

Please share this update with the Committee. Thanks,

Dana

Professional Logging Contractors Northeast

Members of the House Ag., Food Resiliency and Forestry Committee,
The One Big Beautiful Bill Act of 2025 (OBBB) was passed on July 3rd, which contained many pro-business policy priorities. The bill provides important incentives for logging and trucking businesses in addition to tax and regulatory changes that will have an impact on your businesses. Below are some of the important changes that were made, continuance of others and one negative change that will reduce incentives for wood burning appliances.

100% bonus depreciation restored: Trucks and trailers acquired after January 19, 2025, can be fully depreciated immediately and this tax treatment will be recognized through **2029.**

Qualified Equipment Expensing (Section 179): Increases the maximum amount a taxpayer may expense under Sec. 179 to $2.5 million, reduced by the amount by which the cost of qualifying property exceeds $4 million. This provision is the tax deduction that allows a business to immediately expense the full purchase price of qualifying equipment, instead of depreciating the cost over several years.

20% deduction for S-Corporations: This benefit was slated to expire at the end of 2025 has now been made permanent for S-Corporations and other pass-through entities.

State and Local Tax (SALT) Deduction: Provides a temporary new SALT deduction cap of $40,000 beginning in 2025. This cap phases out at a rate of 30 percent of adjusted gross income over $500,000 to a minimum cap of $10,000. Starting in 2026, the applicable cap and phase-out thresholds grow by 1 percent each year through 2029. In 2030, the cap reverts permanently to a maximum of $10,000.

Estate Tax: The federal estate tax exemption is permanently increased to $15 million starting in 2026.

More interest deductibility: Interest limitations revert to an Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) - based formulas for 2025–2028, making it easier for equipment-heavy carriers to finance fleet upgrades.

Increased timber harvesting on public land: The US Forest Service and the Bureau of Land Management (BLM) must boost timber production by 25% over the Fiscal Year 2024 levels.

Expanded Logging Authority: Directs the BLM to annually enter into at least one 20-year or longer contract with private businesses or other entities to dispose of vegetative materials on certain federal lands for Fiscal Years 2025 – 2034.

Forest Service Provisions: For the period of fiscal years 2025 through 2034, the Secretary shall enter into not fewer than 40 long-term timber sale contracts (20 years or more) with private persons or other public or private entities. These changes are intended to enhance predictability of the forest products supply.

New National Environmental Policy Act (NEPA) Rules: Removes environmental review hurdles for federal timber sales and shields many project approvals from public or judicial challenge, easing access for logging projects. This change institutes reasonable considerations for environmental impacts, streamlines operations, and ensures the NEPA process does not cause unnecessary delays.

Continuance of Investment Tax Credit (ITC) for Biomass: The OBBB terminates the eligibility of wind and solar projects placed in service after December 31, 2027, for § 48E credits (ITC) with an exception for wind and solar projects that begin construction within twelve months of enactment of the legislation. However, the OBBB made no changes to the 30% § 48C ITC for biomass electric.

Termination of Energy Efficient Home Improvement Credit: The OBBB removes the 30 percent tax credit for homeowners to install qualified energy improvements, that had a limit of $2,000 for biomass stoves and boilers. The credit will expire on December 31, 2025.

Best Regards,
Dana