




The newly enacted U.S. budget reconciliation bill: businesses need to prepare for tax changes.



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Navigating tax controversy: key implications of the budget reconciliation bill

The budget reconciliation bill is now law and has significant tax implications for various sectors, particularly in business, energy and international tax. The bill's provisions make numerous changes that reshape the tax landscape, affecting everything from the Inflation Reduction Act's (IRA) clean energy incentives to international tax rules established under the Tax Cuts and Jobs Act (TCJA).

Key areas of focus include the restoration of business tax incentives, the repeal and modification of clean energy tax credits from the IRA, and extensions of international tax provisions. The changes could benefit corporations and pass-through entities, while also imposing new restrictions that may complicate compliance and financial planning.

Moreover, the bill's adjustments to employee compensation deductions and the treatment of pass-through entities could lead to increased tax obligations for certain businesses. As stakeholders navigate these potential changes, understanding the interconnectedness of these tax provisions will be crucial in assessing their broader implications and preparing for the evolving regulatory environment. Listen to EY insights from the webcast — [The final budget reconciliation bill: key tax provisions and business implications](#).

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