

No Changes to Information Returns for 2025 Despite OBBBA Changes

Cross References

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The Internal Revenue Service has announced that, as part of its phased implementation of the One Big Beautiful Bill Act (OBBBA), there will be no changes to certain information returns or withholding tables for tax year (TY) 2025 related to the new law.

Key points for TY 2025 relating to OBBBA provisions.

- Form W-2, existing Forms 1099, and Form 941 and other payroll return forms will remain unchanged for TY 2025.
- Federal income tax withholding tables will not be updated for these provisions for TY 2025.
- Employers and payroll providers should continue using current procedures for reporting and withholding.

These decisions are intended to avoid disruptions during the tax filing season and to give the IRS, business and tax professionals enough time to implement the changes effectively.

Looking ahead to TY 2026. The IRS is working on new guidance and updated forms for TY 2026. These will include changes to how tips and overtime pay are reported. The IRS will coordinate with employers, payroll providers and tax professionals to ensure a smooth transition.

More information will be shared in the coming months about how taxpayers can claim OBBBA-related tax benefits when they file their returns. The Treasury Department and the IRS are preparing additional guidance for both reporting entities and individual taxpayers.

Author's Comment

OBBBA enacted new deductions for qualified tips, qualified overtime pay, and qualified passenger vehicle loan interest that are effective for tax year 2025. The law requires payers to report separate amounts on the recipient's W-2 or 1099 that provide the information needed to determine the deductible amount. The IRS is waiving this requirement for tax year 2025, presumably because of the complexity for payors that would need to account for these amounts halfway through the tax year in which they apply. Future guidance will likely allow payors to estimate these amounts on separate statements to be issued to the recipients, using some type of reasonable method to determine the estimated amounts.