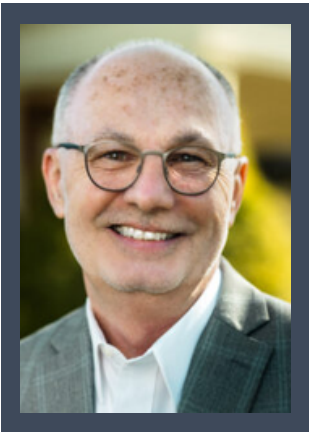




THE LIGHT

HELPING INDIVIDUALS NAVIGATE THEIR FINANCIAL LIVES



You may notice that in this issue of our quarterly newsletter, we've invited a guest contributor, Jim Cutright, better known as "Cutty" in Ashland circles. Cutty brings a long history of community service, and has served as the President/CEO of the Ashland County Community Foundation for the past 13 years. The work he and his staff are doing at the Foundation aligns closely with one of our core company values: Giving Back.



JAMES M. CUTRIGHT
PRESIDENT/CEO ASHLAND COUNTY
COMMUNITY FOUNDATION

Greetings, Friends and Neighbors..!

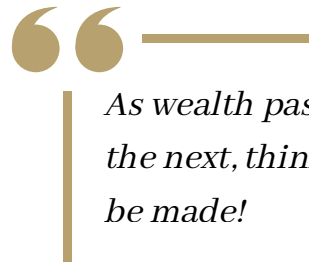
It's my great pleasure to be partnering with our mutual friends at Lighthouse Wealth Management, as they assist and advise you in your journey to financial security.

Along the way, it's my hope, as the President/CEO of the Ashland County Community Foundation (ACCF), that I might encourage you, as you navigate future planning of your estate, to carefully consider charitable giving as part of that conversation.

For those of you who may not be familiar with ACCF, the metaphor we often use to describe our role is one of being the "charitable bank" of our community. ACCF is neither a pass-through agent of your charitable giving, nor are we an end-user.

Instead, every gift received is placed into permanent endowment funds...like individual charitable savings accounts...where the original gift principal is never spent, but is instead invested for the long term. The earnings from those investments then produce a reliable stream of distributions which can be made to charitable organizations, or to students pursuing higher education in the form of scholarships...forever!

A somewhat humorous, but thought-provoking tagline that



As wealth passes from one generation to the next, think of the impact that could be made!

I've often used, when discussing such estate planning with folks is, "Can the Kids Get By on 95%?" And, of course, what I mean by that, is that you absolutely should be taking care of your family first. But, along with that, what if every such plan considered a 5% component directed to improving the quality of life in our community, through careful stewardship of a charitable endowment fund, carrying your name and making annual distributions to causes about which you care?

As wealth passes from one generation to the next, think of the impact that could be made! If the thought of making an indelible mark with an endowment fund – and creating a family legacy that endures – resonates with you, let's chat over a cup of coffee sometime. I'm sure our friends at Lighthouse are willing to host such a conversation, at your convenience.

In the meantime, if you'd like to learn more about ACCF and the work that we're doing each day to make Ashland County a better place to work, live, play and worship, please visit our website at www.ashlandforgood.org

Thanks, and have a great day..!
Jim Cutright (Cutty)

Market Recap

DOW JONES INDUSTRIAL AVERAGE

3Q 2025: 4.28% YTD 2025: 9.06%

S & P 500 COMPOSITE

3Q 2025: 7.91% YTD 2025: 13.72%

RUSSELL 2000

3Q 2025: 10.87% YTD 2025: 9.25%

BARCLAYS AGGREGATE BOND

3Q 2025: 1.05% YTD 2025: 3.45%

NASDAQ COMPOSITE

3Q 2025: 12.16% YTD 2025: 17.34%

**All indices are reported Total Return which includes Dividends*

Our front page feature article was submitted by guest columnist, James Cutright, President/CEO of the Ashland Community Foundation, and shared with permission. This material is provided for informational and educational purposes only and should not be construed as individualized investment, legal, or tax advice. Please consult with a qualified financial professional before making any investment decisions.



FAQ: THE ONE BIG BEAUTIFUL BILL ACT TAX CHANGES



CHRIS BEVINGTON, CPA, MTAX, CFP®
INVESTMENT ADVISOR REPRESENTATIVE

What is the One Big Beautiful Bill Act (“OBBA”) and why was it introduced?

OBBA made permanent tax changes from the 2017 Tax Cuts and Jobs Act (TCJA) that were set to expire at the end of 2025. Permanent changes include the larger standard deduction, more generous child tax credits, lower ordinary tax rates, and tighter limits on certain itemized tax deductions. These expiring tax changes would have increased tax burdens on approximately 62% of tax filers. OBBA also addressed spending changes related to health programs, homeland security, and defense.

What are the major changes in the tax laws?

In addition to making 2017 tax cuts permanent, the law expands the standard deduction and child tax credits, temporarily provides a more generous deduction for itemizers for state and local taxes (SALT) paid, and temporarily creates new income tax deductions for tips, overtime income, seniors, and qualifying auto loans (all subject to income limits). The OBBA also made permanent the more generous estate tax exemption from the TCJA and increased it to \$15M per decedent in 2026. For businesses, the law makes full expensing for short-lived and domestic R&D permanent and creates a new temporary 100% deduction for certain structures and capital assets involved in production. Tax credits associated with green energy production are phased out over the next few years, along with structural changes to international tax rules.

How does it impact the child tax credit (CTC) and other family related benefits?

The OBBA made permanent the TCJA’s expanded child tax credit, with some adjustments. The CTC was scheduled to revert back to up to \$1K per child in 2026, down from \$2K in 2025. The law increases the maximum CTC to \$2,200 beginning in 2025, and adjusted for inflation moving forward. The OBBA also includes a modest increase to the dependent care tax credit.

What are the tax changes for state and local taxes paid for those who itemize?

The law temporarily increases the deduction cap for state and local taxes (SALT) paid from \$10K to \$40K from 2025 through 2029. This more generous SALT deduction cap phases out back down to the \$10K limit with income starting at \$500K, and fully phases back to the \$10K limit when income exceeds \$600K. The deduction and income limit will increase by 1% each year through 2029. The SALT cap will revert back to its prior law value of \$10K starting in 2030.

How does it change the deductibility of individual charitable deductions?

The OBBBA provides two permanent changes to charitable deductions: 1) A new 0.5% of income floor for charitable giving before taxpayers can claim an itemized deduction; and 2) A new charitable deduction of \$1K (\$2K for joint filers) available to itemizers and non-itemizers alike. So as an example, someone with an AGI of \$200K would have to exceed the 0.5% floor of \$1K ($\$200K \times 0.005$), before becoming eligible. So if this person donated \$5K, only the \$4K exceeding the \$1K floor would potentially provide a deduction. These changes become effective for tax years beginning after December 31, 2025.

Are there changes to the taxation of Social Security benefits?

Congress could not agree on changes to the taxation of Social Security benefits, so they are treated identically under the OBBBA as they were prior. Benefits are subject to income tax on up to 85% of benefits received, dependent on a taxpayer's income. However, the OBBBA does provide a new \$6K deduction per qualifying taxpayer for taxpayers age 65 and older. This \$6K deduction phases out at a 6% rate when income exceeds \$75K for single filers and \$150K for joint filers. The deduction fully phases out at \$175K for single filers and \$250K for joint filers. The deduction is provided for all sources of income,

including Social Security benefits, and will be available to both itemizers and those who use the standard deduction.

How do Trump Accounts work?

The OBBBA created new savings accounts for children, allowing parents and others to contribute up to a combined \$5K yearly (adjusted for inflation starting in 2027) for the child to use after turning 18 years old. The accounts include a \$1K deposit made by the federal government for certain children born in 2025 through 2028, and employers are also allowed to contribute up to \$2,500 tax-free to employee accounts.

The account grows tax-deferred until account owners make withdrawals, which can only start at age 18. The account at that point essentially follows the rules in place for individual retirement accounts (IRAs). Due to the complex rules and limited tax benefits, more specific details are not yet available at this time.

Are there changes that affect small businesses?

The OBBBA extends and makes permanent the 20 percent deduction for qualified business income. The law also provides a minimum deduction of \$400 for taxpayers with \$1K or more of qualified business income. The law also restores and makes permanent 100% bonus depreciation for short-lived capital assets.

How does it affect my tax refund?

Changes in tax refunds do not necessarily reflect changes in a taxpayer's overall liability, as tax withholdings can also vary over time. A refund versus taxes owed simply indicates that taxes you paid in/had withheld exceeded the tax liability you owed. Owing simply means, you didn't pay in enough. Neither is indicative of how much you paid in overall taxes, or the overall effect of these tax changes.



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SCAN TO LEARN MORE ABOUT US!

Lighthouse Wealth Management is an independent, fee-only, investment advisory firm. We partner with you to help you navigate all the financial challenges of life. To learn more about the benefits of working with an independent advisor, visit www.findyourindependentadvisor.com

Our Part 2 of Form ADV: Firm Brochure, which provides information about the qualifications and business practices of Lighthouse Wealth Management, as well as our ADV Par 3: Client Relationship Summary are both available on our website. Paper copies are available upon request.

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