

Giving After the New Tax Law:

What You Should Know

How to Give More Effectively in 2026 and Beyond

The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, brings more certainty to tax and estate planning, making it easier to plan ahead with confidence. It also introduces new rules that may affect how and when you give to our organization and the other charities you care about.

Some of these changes offer new opportunities for giving. Others may create challenges depending on your income and how you make your gifts. Understanding the impact can help you make the most of your giving in the years ahead.

A More Predictable Tax and Estate Planning Landscape

Several key provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) were scheduled to expire at the end of 2025. The OBBBA made them permanent, giving you more clarity for long-term planning:

- **The estate and gift tax exemption** rises to \$15 million per person (\$30 million per married couple) in 2026.
- **The standard deduction** increases to \$15,750 (single filers) and \$31,500 (married couples filing jointly) in 2025.
- **The top income tax rate** remains at 37% (rather than reverting to 39.6%).

This greater stability makes it easier to plan ahead—especially if you’re thinking about making legacy gifts or larger charitable contributions during your lifetime.

New Opportunities and Challenges for Charitable Giving

Starting in 2026, new rules take effect that may influence how you approach charitable giving, including the following:

- **A new deduction for nonitemizers.** If you don’t itemize, you’ll still be able to deduct charitable gifts up to \$1,000 (for single filers) or \$2,000 (for married couples filing jointly), as long as the gift is made to a public charity like ours (not a donor-advised fund). If you have been taking the standard deduction instead of itemizing, this may create a new incentive to give.
- **A deduction limit for high-income donors.** If you’re in the top income tax bracket (37%) and itemize your taxes, your charitable deductions will be limited to 35% of your income. The difference may seem small, but this slight decrease in deductibility can result in a sizable loss of tax savings on major contributions. If you’re thinking about making a significant gift, you may want to consider doing so before the end of the year.

- **A “giving floor” for itemizers.** To deduct charitable gifts, itemizers must now give at least 0.5% of their adjusted gross income (AGI). For example, someone with an AGI of \$200,000 would need to give more than \$1,000 before being able to claim any deduction. Consider whether it makes sense to combine two or more years’ worth of giving into one year—a strategy known as “bunching.”
- **A permanently higher deduction limit on cash gifts.** The current 60%-of-AGI cap on deductions for cash gifts to public charities is now permanent. While that’s good news, you should continue to explore whether alternatives to cash gifts can provide tax and planning benefits that are better aligned with your goals and circumstances.
- **A new 65+ deduction.** If you are age 65 or older, you can take a \$6,000 deduction in tax years 2025–2028, whether you itemize or not. The deduction phases out once your modified AGI exceeds \$75,000 (single filers) or \$150,000 (joint filers). This may free up additional money for meeting charitable goals.

What You Can Do Now

These changes won’t affect why you give—but they may influence when and how you give. Smart planning can help you maximize your impact and potentially reduce your taxes.

Here are a few steps to consider:

- **If you’re in a high tax bracket,** ask your advisor whether it makes sense to give in 2025, before the new limits take effect.
- **If you give annually but won’t meet the new deduction floor,** consider combining two or more years of giving into one larger gift.
- **If you don’t itemize,** don’t forget about the new deduction available to you starting next year.
- **Talk to your advisors—and talk to us.** We’re always here to help you explore your options, provide information, run gift illustrations, or work with your legal and financial team.

Let’s Talk

We’re here to help you find the most effective ways to support the causes and organizations that matter most to you. These new rules may shape how you give, but your impact remains the same.



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