



The "One Big Beautiful Bill" and Charitable Giving Strategies



An Important Disclosure

Today's presentation is meant for illustrative and educational purposes only. This presentation does not constitute legal or tax advice. Seek the advice of a tax attorney or tax advisor prior to making a tax-related investment decisions.

Key Changes for Individual Donors (2026)

- **New “above the line” deduction**
 - For cash donations only
 - \$1,000 for single filers, \$2,000 for joint filers
- **New Hurdle for Itemizers: The AGI Floor**
 - Only deduct charitable contributions which exceed 0.5% of AGI
- **Reduced Benefit for Top Earners**
 - For those in the highest tax bracket the maximum benefit for all itemized deductions is capped at 35%



Key Changes for Corporate Donors (2026)

- **Current Limit (2025)**
 - Corporations can deduct charitable donations up to 10% of net income
- **New 1.0% Floor for Corporate Giving (2026)**
 - Corporations can only deduct charitable donations which exceed 1.0% of net income. (10% ceiling remains)

Federal Deduction – Individuals 2025 vs 2026

(For illustrative purposes only)

- Adjusted Gross Income: \$1,000,000
 - Charitable Gift: \$100,000

	2025	2026
Donation	\$100,000	\$100,000
Deduction	\$100,000	\$95,000 <small>\$100,000 - (\$1,000,000 x 0.50%)</small>
Tax Savings	\$37,000 <small>(\$100,000 x 37%)</small>	\$33,250 <small>(\$95,000 x 35%)</small>

Federal Deduction - Corporations 2025 vs 2026

(For illustrative purposes only)

- Net Income: \$25,000,000
- Charitable Gift: \$200,000

	2025	2026
Donation	\$200,000	\$200,000
Deduction	\$200,000	\$0



“Bunching”

- “Bunch” multiple year’s-worth of donations into one year
- Donor Advised Fund (DAF)
- Grant the funds over multiple years
- Opportunity of growth of funds
- Available to individuals and corporations

Smart Giving

Donating Appreciated Assets

- Held for more than one year
- Non-profit realizes full value of donated asset
- Deduction equal to Fair Value of Asset
- Avoid Capital Gain
- Opportunity to rebalance or re-set basis

When is the Best Time for a Major Gift?

- **2025 – A Window of Opportunity**
 - Current Rules Apply
 - No AGI Floor and No 35% Cap
 - Receive Full Tax Benefit for Every Dollar Donated (Subject to existing AGI limit)
- **2026 – Less Favorable Landscape for Large Gifts**
 - New 0.5% of AGI floor for Individuals
 - New 35% benefit cap for top earners
 - New 1.0% of net income floor for corporations





Questions

Rob Gaan, CFP®
rgaan@cweil.com

