

Charitable Giving Reminders

WEALTH
PLANNING

2026

Make Qualified Charitable Donations (QCDs) before December 31, 2026

- You must be at least 70 1/2 years old to qualify upon distribution.
- You can transfer up to \$111,000 from an IRA (401k and other employer-sponsored plans are not eligible).
- This is not a charitable deduction, but it is excluded from taxable income and can be used to satisfy your annual Required Minimum Distribution if you are 73 or older.

Utilize a Donor Advised Fund (DAF)

- DAFs can help with “bunching” donations.
- You will receive a full deduction upon contribution, but can donate to charities over time.
- You can invest contribution within DAF for potential long-term growth.

Consider gifting appreciated assets

- Gifting appreciated assets allows you to deduct the Fair Market Value (FMV) of the asset without paying capital gains tax on the appreciation.

Beware of existing Adjusted Gross Income (AGI)-based limits for Deductible Charitable Contributions

- Cash contributions: 60% of AGI
- Capital gain property using cost basis: 50% of AGI
- Capital gain property using fair market value (FMV): 30% of AGI

For non-itemizers:

- Filers can deduct up to \$2,000 (\$1,000 for single filers) from their Adjusted Gross Income.
- Donations must be made in cash and to qualified 501(c)(3) charities.
 - Donor Advised Funds and Private Foundations are not eligible.

New AGI floor of 0.5% for all itemized donations

- Only charitable contributions exceeding 0.5% of AGI are deductible.
 - Example: \$100,000 AGI only allows for itemized deductions above \$500 ($\$100,000 \times 0.5\%$).

2/37 Rule for “Itemizers”

- Rule reduces the allowable amount of itemized deductions by 2/37 of the lesser of:
 - The taxpayer’s total itemized deduction or
 - The amount by which their taxable income plus total itemized deductions exceeds the 37% bracket limit.