

Your Guide to Smart Giving Under the New Tax Law

The One Big Beautiful Bill Act creates new opportunities—
and 2025 may be the perfect time to act.

If the new tax law feels overwhelming, you're not alone. The recent One Big Beautiful Bill Act (OBBBA) brings important changes in 2026 that may be optimized by a thoughtful giving strategy now.

Key Takeaways

While these changes will not alter why you give, they may influence when and how you give.

Before year-end 2025

- Consider accelerating multi-year and major gift payments.
- Evaluate whether bunching multiple years of giving and adding to or opening a Donor Advised Fund makes sense.
- If you are 65 or older, factor your additional \$6,000 deduction into your annual giving strategy.

Planning for 2026

- **Non-itemizers:** Remember your new \$1,000-\$2,000 deduction for direct charitable gifts.
- **Itemizers:** Plan for the new 0.5% giving floor.
- **Everyone:** Explore non-cash giving strategies that deliver lasting benefits.



Tax-Smart Giving Strategies

- **Donor Advised Funds:** Open a new fund at the Shalom Austin Jewish Foundation or add to your existing fund. Make your gift in 2025, claim the full tax deduction, then recommend grants over time. Perfect for bunching strategies.
- **IRA Charitable Distributions:** Give up to \$108,000 (ages 70½+) directly to a charity. You will avoid income taxes and satisfy your required distribution — a win-win that this new law does not change.
- **Appreciated Securities:** Donate stock, avoid capital gains, and get the full deduction.
- **Legacy Giving:** Structure gifts to support our community's future while providing immediate tax benefits and working together to shape your legacy.

Your Next Steps

1. Review your overall financial plan and how charitable giving fits.
2. Talk to your financial, tax and estate planners about how these changes affect you.
3. Explore the tax-smart giving strategies outlined above.
4. Consider how a Donor Advised Fund at Shalom Austin Jewish Foundation could help you make a greater charitable impact.

Learn more at shalomaustin.org/daf

Let's Create Your Giving Strategy Together

Every donor's situation is unique. The Shalom Austin philanthropy team can help you create a giving plan that aligns with your values, community passions and financial goals.

Contact Jennifer Koppel, Shalom Austin Jewish Foundation Director & Philanthropic Advisor at jennifer.koppel@shalomaustin.org to arrange a confidential consultation.

Deeper Dive

Itemizers

Plan Ahead for 2026

- **60% cash gift limit is permanent:** This ensures that large cash gifts remain deductible, but within a defined ceiling.
- **New giving floor:** Must give at least 0.5% of adjusted gross income (AGI) before deductions apply. This limits the tax benefit of smaller gifts while preserving the ability to deduct larger donations.
- **Deduction cap:** Top-bracket taxpayers limited to 35% deduction value. If you are considering a significant charitable gift and fall in a higher tax bracket, giving in 2025 could help you take full advantage of higher limits before new caps apply.

Tip: Accelerate your giving right now. Front-loading charitable giving in 2025 before the new 0.5% AGI reduction and tighter deduction caps begin in 2026 may result in larger tax deductions and tax savings than making a gift in 2026.

Non-Itemizers

New Reasons to Give

If you are one of roughly 90% of taxpayers who take the standard deduction, the amount has grown.

- **Standard deduction 2025:** \$15,750 (single) or \$31,500 (married).
- **Beginning in 2026:** there will be a universal deduction allowing non-itemizers to deduct up to \$1,000 annually (\$2,000 for joint filers) for qualified cash contributions to public charities (note: gifts to DAFs don't qualify).

Tip: Even without itemizing, donating appreciated stock or directly from your IRA still provides tax savings.

Other Notable Changes

- Seniors 65+ get an extra \$6,000 deduction through 2028, regardless of whether you itemize, as long as your income stays below \$75,000 (singles) or \$150,000 (couples).
- Estate tax exemption increases to \$15M (singles) or \$30M (couples) in 2026. More families can focus on lifetime charitable giving for tax benefits rather than estate tax reduction.

Tip: Planning legacy gifts during your lifetime allows flexibility as you shape your vision.