

The “One Big Beautiful Bill” and Charitable Giving

An easy guide for professional advisors from your partners at FFTC

H.R. 1, commonly known as the One Big Beautiful Bill Act, touches nearly every sector of the U.S. economy, including philanthropy. The Foundation For The Carolinas team is here to help you understand what’s changed, what it means for charitable giving and where new opportunities may exist for your clients.

For Itemizers

Changes beginning in 2026	What to consider
▶ Minimum threshold: Taxpayers will only receive tax benefits for charitable giving that exceeds 0.5% of their adjusted gross income. ▶ Benefit reduction: The deduction rate for those in the top income bracket drops from \$0.37 to \$0.35 per dollar donated.	▶ Bunching: Clients may want to “bunch” multiple years of giving into a single tax year. Bunching can help taxpayers exceed the 0.5% threshold and maximize the tax benefit. ▶ DAFs as a tool for bunching: Donor Advised Funds are convenient, effective giving vehicles that can accept bunched gifts, which your client can then grant out to nonprofits over time. ▶ 2025 giving: Your clients may also want to consider making gifts in 2025 before the tax benefit decreases – and especially during this time of particular need in our nonprofit community.

For Non-Itemizers

Changes beginning in 2026	What to consider
▶ New deduction: Individuals who don’t itemize can claim a charitable deduction for cash gifts of up to \$1,000 for individuals and \$2,000 for couples filing jointly. ▶ This offers potential benefits for taxpayers who do not itemize, even for smaller donations.	▶ Gifts to field of interest funds, scholarship funds, FFTC Community Impact Funds and direct gifts to nonprofits are all eligible. ▶ Gifts to donor advised funds and supporting organizations are not eligible.

Estate Planning Considerations

Changes beginning in 2026	What to consider
▶ Exemption increase: The estate tax exemption will increase to \$15 million for individuals and \$30 million for couples filing jointly, and will be indexed for inflation beginning in 2027.	▶ Planned giving: Now is a great time for your clients to establish a planned gift for the causes they most value, or to update their estate plans. ▶ Lifetime giving: Those with estates below these limits might consider accelerating gifts during their lifetime to benefit from the charitable income tax deduction and maximize the impact of giving.

Our team of experts is here to help you help your clients amplify their impact and maximize the dollars available to give. **To learn more, contact Sarah Beth Munson at sbmunson@fftc.org or 704.973.4520.**