Donor-Friendly FAQ: 2026 Charitable Giving Changes

What is changing in 2026?

New federal rules will adjust how charitable tax deductions work for both non-itemizers and itemizers. These changes affect how certain gifts qualify for deductions *but do not restrict giving to nonprofits.*

Does this affect gifts made through Donor-Advised Funds (DAFs)?

Yes, in two ways:

1. The new above-the-line deduction applies only to direct gifts to charities—not DAFs.
2. For itemizers, DAF gifts remain deductible once total charitable giving exceeds 0.5% of AGI.

Can I still support LiveGirl through my DAF?

Absolutely. LiveGirl continues to accept and welcome DAF grants from charitable foundations, community foundations, and other providers.

Should I stop giving through my DAF?

Not necessarily. Many donors use DAFs for long-term or strategic giving. The new rules simply mean that donors seeking the new deduction may prefer direct gifts, while DAF gifts remain advantageous for itemizers who exceed the AGI threshold.

Will these changes reduce my tax benefits?

Possibly for smaller itemized gifts. Starting in 2026:

- Itemized deductions begin only after giving exceeds 0.5% of AGI (1% for corporations).
- The maximum tax benefit for large deductions will be capped at 35% instead of 37%.

What should I do if I'm unsure?

We recommend consulting your tax advisor to understand how these updates may impact your giving strategy.

Does LiveGirl still welcome DAF gifts?

Yes. DAF gifts remain an important and impactful source of support for LiveGirl's mission.

What's Coming: New Tax Law Effective January 1, 2026

There are several changes in tax law starting in 2026 regarding charitable deductions, including the following:

- For people who itemize deductions, charitable deductions are reduced by .5% of the donor's Adjusted Gross Income (AGI)
    - For someone with a $1,000,000 income, that means their charitable contributions are reduced by $5,000 for tax purposes.
    - For taxpayers in the 37% bracket, all deductions are treated as if they are in the 35% tax bracket, effectively taking an additional 5.4% off their charitable contributions.

What Does This Mean for Charitable Giving Planning in 2025?

By donating to a Donor-Advised Fund in 2025, donors can lock in the higher charitable deduction:

- Up to 60% of AGI can be deducted for cash gifts to a DAF.
- Up to 30% of AGI can be deducted for appreciated assets donated to a DAF.
- Donating securities and other appreciated assets further compounds tax savings as capital gains taxes are avoided.

Consider "bunching" your charitable giving through a donor-advised fund in 2025. Evaluate the timing of your charitable contributions, as gifts made in 2025 would be more valuable than the same contribution made in 2026.

Consult your tax advisor to see how these changes affect your specific tax situation.