UNDERSTANDING THE 2026 CHARITABLE GIVING TAX CHANGES

UNDERSTAND • COMMUNICATE • EDUCATE • REFER

Tax law can inform a donor conversation. It should not become the nonprofit's job to interpret an individual donor's tax situation.

Beginning in 2026, several federal tax changes affect charitable giving. This guide summarizes the changes most relevant to nonprofit year-end communications and offers practical language organizations can use when speaking with donors.

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What Nonprofit Leaders Need to Know

The 2026 federal tax changes create both opportunities and new considerations for charitable giving. They do not change why supporters give. Nonprofits should understand the changes well enough to communicate them accurately, while keeping mission and impact at the center of donor conversations.

2026 Federal Tax Change	Why It Matters
New deduction for many non-itemizers	Creates a new opportunity to educate many individuals and smaller donors.
0.5% AGI floor for many itemizers	May affect the deductible portion, timing or structure of larger charitable gifts.
1% corporate charitable deduction floor	Changes the federal deduction calculation for corporate charitable contributions.
Mission remains unchanged	Tax information should support the conversation — not become the reason for giving.

1. New Charitable Deduction for Many Non-Itemizers

Beginning in 2026, eligible taxpayers who claim the standard deduction may also deduct qualifying cash contributions to certain eligible charitable organizations. The maximum deduction is $1,000 for an individual taxpayer and $2,000 for married taxpayers filing jointly, subject to applicable limitations and rules.

This is important because many donors who do not itemize previously received no separate federal charitable deduction for their gifts. The new provision creates an opportunity for nonprofits to educate donors that qualifying cash gifts may now provide an additional federal tax benefit even when the donor takes the standard deduction.

HOW TO SPEAK ABOUT IT

SUGGESTED DONOR LANGUAGE:

“Beginning in 2026, taxpayers who do not itemize may be eligible for a federal charitable deduction of up to $1,000 for qualifying cash gifts, or up to $2,000 for married couples filing jointly. Individual circumstances vary; please consult your tax professional for guidance.”

Use careful phrases such as “may be eligible” and “qualifying cash gift.” Do not promise that a particular donor will receive a deduction. Keep the mission impact first and present the tax information as a helpful consideration.

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2. Changes Affecting Donors Who Itemize

Beginning in 2026, taxpayers who itemize generally may deduct charitable contributions only to the extent their total charitable contributions exceed 0.5% of Adjusted Gross Income (AGI), before other applicable charitable-deduction limitations are considered.

Example: A donor with $200,000 of AGI has a $1,000 charitable-deduction floor. If that donor makes $5,000 in charitable contributions during the year, $4,000 is above the new floor before considering other applicable tax rules and limitations.

For donors considering significant gifts, the change may make the timing, amount and structure of charitable giving worth discussing with a CPA, attorney or financial advisor.

HOW TO SPEAK ABOUT IT

SUGGESTED DONOR LANGUAGE:

"Federal charitable-deduction rules changed beginning in 2026, including a new 0.5% of AGI floor for taxpayers who itemize. If you are considering a significant charitable gift, you may wish to discuss the timing and structure with your tax or financial advisor."

3. Corporate Charitable Giving Changes

For taxable years beginning after December 31, 2025, corporate charitable deductions generally are subject to a new 1% of taxable-income floor, while the general 10% ceiling continues to apply for many corporate charitable deductions.

In practical terms, a corporation's charitable contributions generally must exceed 1% of taxable income before the deduction begins, subject to applicable rules and exceptions.

Nonprofits should not assume this means corporate giving will disappear. Corporate support may be driven by community impact, employee engagement, shared values, visibility, volunteer opportunities, matching gifts, in-kind support and long-term community relationships as well as tax considerations.

HOW TO SPEAK ABOUT IT

SUGGESTED DONOR LANGUAGE:

"Federal rules affecting corporate charitable deductions changed beginning in 2026, including a new 1% taxable-income floor. Because every company's tax situation is different, businesses should consult their own tax advisor. We welcome the opportunity to discuss the community impact and partnership opportunities your support can make possible."

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A General Year-End Message

For newsletters, year-end appeals or other general communications, tax information should remain brief, accurate and secondary to the organization's mission.

HOW TO SPEAK ABOUT IT

SUGGESTED DONOR LANGUAGE:

"Beginning in 2026, federal tax law includes changes that may affect charitable giving for some donors. Depending on your circumstances, you may wish to review the timing and structure of your year-end giving with your tax or financial advisor. Our organization does not provide tax advice, and individual circumstances vary."

For audiences that include many donors who do not itemize, an organization may also note that beginning in 2026, many taxpayers who claim the standard deduction may qualify for a federal deduction for eligible cash gifts to qualified charities, subject to applicable limits and rules.

Communication Guardrails for Nonprofits

☐ Understand the changes before communicating them.

☐ Mention tax changes accurately and briefly.

☐ Use qualifying language such as "may," "generally," and "subject to applicable rules."

☐ Do not tell an individual donor what deduction they will receive.

☐ Encourage donors and businesses to seek advice from their own tax professionals.

☐ Keep mission, impact and stewardship as the primary message.

☐ Use tax law to inform donor conversations — not define them.

DNB BEST PRACTICE
Tax laws change. Healthy donor relationships endure.
Build communications around mission and stewardship,
using tax changes to inform — not lead — the conversation.

Important Note

This sheet provides general educational information for nonprofit leaders and is not tax, legal, accounting or financial advice. Federal tax rules include limitations, exceptions and individual circumstances that may affect how a provision applies. Nonprofits should encourage donors to consult their own qualified tax or financial professionals.

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