Navigating "OBBBA"

What You Need To Know

Before 2026

ARGENT FOUNDATION

Starting January 1, 2026, many aspects of the new tax legislation (commonly referred to as the One Big Beautiful Bill Act or OBBBA) goes into effect that could reshape how you support the causes you care about. These changes include preserved incentives for charitable giving and new opportunities to make your contributions go further—both for you and the organizations you support.

The One Big Beautiful Bill Act

And Its Impact on Individual Donors

60% AGI Limit Made Permanent

- You can continue to deduct cash gifts to public charities up to 60% of your Adjusted Gross Income (AGI).
    - » **Example:** If your AGI is $200,000, you can deduct up to $120,000 in charitable gifts.
    - » **Tip:** If you give regularly, this rule allows you to maintain substantial deductions each year.

The New Minimum Threshold for Deductions (Effective 2026)

- Starting in 2026, only donations exceeding 0.5% of your AGI will count toward a deduction.
    - » **Example:** With a $200,000 AGI, only donations above $1,000 qualify. Smaller gifts will still help your favorite causes — but may no longer reduce your taxable income.
    - » **Tip:** Consider accelerating charitable giving before the end of 2025. Contributing to a Donor-advised Fund (DAF) this year lets you claim a full deduction now and distribute funds later at your own pace.

Reduced Deduction for High Earners

- Currently, top earners who itemize can deduct 37¢ for every $1 donated. In 2026, that benefit drops to 35¢ per dollar. The change effectively caps the value of deductions for higher-income households.
  - » **Tip:** If you're in a higher tax bracket, consider completing large gifts, multi-year pledges, or DAF contributions before the end of 2025.

For Businesses

- Corporate giving rules are changing too. Starting in 2026, corporations will face a 1% floor on philanthropic deductions — meaning the first 1% of charitable contributions won't qualify for a tax break.

Qualified Charitable Distributions (QCDs) from IRAs

- For individuals age 70½ or older, the rules for donating directly from your IRA to a charity remain unchanged. In 2025, you can contribute up to $108,000 from your IRA without increasing your taxable income. QCDs remain a powerful tool for reducing required minimum distributions and supporting your favorite causes tax-efficiently.
  - » **Tip:** Talk with your financial advisor about using a QCD strategy to complement your other charitable giving.

Charitable Deduction for Non-Itemizers

- Starting Jan. 1, 2026, individuals who do not itemize deductions can deduct up to $1,000 ($2,000 for married taxpayers filing jointly) of cash contributions annually to qualified charities.

Timing Matters

- Many donors may benefit from bundling or prepaying 2026 gifts in 2025 to maximize deductions under current law.

Strengthen Your Philanthropy Strategy with Argent Foundation.

In light of these upcoming changes, many individuals are turning to Donor Advised Funds (DAFs) to preserve flexibility and maximize deductions. Our team at the Argent Foundation can help you set up or contribute to a DAF, ***review your philanthropic goals, and structure your giving for the greatest impact.***

Argent does not provide tax advice. Please consult your tax advisor to understand how these changes may affect your situation.

Visit **argentfinancial.com/argent-foundation** to learn more.