



Tax-Smart Giving in 2026

A short guide for thoughtful, generous giving

Why this matters

Most of us give because we care—not because of taxes. In 2026, though, a few simple choices can help more of what you intend for ministry actually reach a church or cause you love.

Today, most households take the standard deduction, which means a typical cash gift may not reduce taxes at all. But some forms of giving—especially from retirement accounts or appreciated investments—can still reduce tax “drag,” or even allow you to give more without increasing your out-of-pocket cost.

This isn’t about complexity. It’s about asking **two simple questions**.

Start here: two questions

Most people can stop here and choose a path:

1. Are you age 70½ or older?

If yes, you may be able to give directly from your IRA using a Qualified Charitable Distribution (QCD).

2. What are you giving?

If you have appreciated investments (like stock or mutual funds), giving shares instead of cash can often be more efficient.

These two questions point most people toward the most helpful strategy.

Giving from an IRA (age 70½+): Qualified Charitable Distributions

A Qualified Charitable Distribution (QCD) is a gift made directly from your IRA to a charity. When done correctly, it isn't taxable.

That matters because it works even if you take the standard deduction.

When this often fits:

- You are 70½ or older
- You take (or will take) required minimum distributions (RMDs)
- You give regularly to a church or other nonprofits

Example: *A different way to think about giving in retirement*

Assume: Maria is 74 and typically gives **\$4,000** each year after taking her required minimum distribution. She is in the 20% tax bracket and takes the standard deduction.

If Maria withdraws from her IRA to make her gift, that withdrawal is taxable. After paying taxes, her **\$4,000** gift effectively "costs" her about **\$5,000** in pre-tax dollars.

Instead of withdrawing the funds, Maria directs a **\$5,000** Qualified Charitable Distribution from her IRA straight to her church.

Because the QCD is excluded from her taxable income, she avoids paying tax on that portion of her RMD. The tax savings effectively fund the additional \$1,000 of giving.

Bottom line: She gives more—**\$5,000 instead of \$4,000**—without increasing what it costs her.

Donating appreciated investments

If you own investments that have grown in value, donating shares can be more efficient than selling them and giving cash.

When you sell appreciated investments, you may owe capital gains tax. If you donate the shares directly, the charity receives the full value and you may avoid that tax.

When this often fits:

- You hold stocks or mutual funds that have increased in value
- You've held them for more than a year
- You're making a larger or special gift

Example: *Turning gains into a gift*

Assume: Dan wants to give **\$10,000** to his favorite charity. He owns stock worth **\$10,000** (originally **\$6,000**).

If he sells the stock and gives cash, he may owe tax on the **\$4,000** gain before making the gift.

If he instead donates the shares directly, the charity receives the full \$10,000 since it does not pay tax when it sells the stock. And Dan doesn't either.

Bottom line: The same investment can produce a larger gift simply by changing how it's given.

Cash giving and itemizing in 2026

Cash gifts are still the most common—and always meaningful.

Beginning in tax year 2026, many people who do not itemize can deduct a limited amount of cash giving (up to \$1,000 single / \$2,000 married filing jointly).

For many households, this may be the simplest way to receive a tax benefit from cash donations.

Most people still take the standard deduction (\$16,100 single/\$32,200 joint) because it is often higher than the itemized deductions they can claim. But some may find themselves itemizing again with recent changes. Those who do itemize face a modest threshold before deductions begin to count

When itemizing becomes more likely:

- Your standard deduction is lower (for example, after a change in filing status—such as divorce or the death of a spouse)
- You have higher state and local taxes (SALT)
- You have mortgage interest and consistent charitable giving

When these add up, charitable giving can once again reduce taxes more meaningfully.

Practical takeaway:

If your situation has changed—or if your deductions are growing—ask your advisor if you should itemize again.

A simple way to decide

- If you are 70½+: consider giving from your IRA first
- If you have appreciated investments (like stock or mutual funds), consider donating shares instead of cash
- If you give mostly cash, keep good documentation and consider whether you should itemize.

Closing thought

The goal isn't to give differently—it's to let your giving do more of what you intend.

Sometimes that means lowering taxes or increasing your gift. Often, it's simply removing a bit of friction so generosity can flow more freely.

If you're unsure where to start, a short conversation with a financial or tax advisor can help you match your giving with your circumstances.

And as always, the most important gift is the one you can give with joy and consistency.

This guide reflects current IRS rules for 2026. As always, for advice specific to your situation, consult a tax professional.