

TAX-SMART GIVING STRATEGIES 2025 & BEYOND

The **One Big Beautiful Bill Act (OBBBA)**, passed in July 2025, brings exciting updates to the rules around charitable giving and it may influence how you plan your generosity this year and in the future.

Here are some key takeaways that you can discuss with your tax professional or financial advisor as you maximize the impact of your giving and tax efficiency.

- **For non-itemizers**, you can **receive a tax deduction** of up to \$1,000 for individuals and \$2,000 for couples for cash gifts to qualified nonprofits, such as Pacific Symphony.
- **If you give more and itemize your taxes**, you can still deduct gifts, though new limits apply to tax savings for high earners. In addition, you will only be able to deduct charitable gifts that are more than 0.5% of your adjusted gross income (AGI). For example, a couple earning \$300,000 could only deduct donations above \$1,500. **The timing of your contributions is key.** Accelerating contributions in 2025, perhaps using a bunching strategy may yield greater tax savings. Donor-Advised Funds (DAFs) are a popular tool for gift bunching, allowing a donor to make a large contribution for an immediate tax deduction and recommend grants to charities over time. Consult your tax professional to strategically plan your charitable giving for maximum tax and benevolent impact.
- **For individuals aged 70½ or older, IRA Qualified Charitable Distributions (QCDs)** are a smart option as they exclude the amount from taxable income entirely and are not affected by the new itemizing floors or caps.
- **Review Estate Plans:** With the higher estate tax exemption, fewer estates will face federal taxes. You can focus on lifetime giving for current tax benefits and use estate planning tools like naming a charity as a beneficiary of a retirement account or creating a charitable trust to achieve philanthropic goals and manage any potential remaining taxable estate.

Plan now to make a significant difference for both your taxes and the causes you care about. Key to planning is understanding the size of your estate and protecting your loved ones. Get started with our free organizer **Estate Planning Guide** to put yourself in a position of power.



Contact Alice Tutunjian, Director of Major Gifts & Legacy Planning at **(714) 876-2383** or **atutunjian@pacificsymphony.org** to schedule a no-obligation conversation to learn more.