**The One Big Beautiful Bill Act and Giving to Tufts**
**December 1, 2025**

Several provisions in the One Big Beautiful Bill Act (OBBB) signed into law on July 4, 2025, may affect the tax benefits of your charitable giving in 2026. Now may be a great time to revisit your giving strategy. Consider making a gift to Tufts by **December 31**, **2025** to maximize your financial and philanthropic impact.

1. **New Floor on Deduction for Itemizers**
   Effective January 1, 2026, donors who itemize and make charitable gifts will only be able to claim a federal income tax deduction for gifts that exceed 0.5% of their adjusted gross income (AGI). For example, if you have an AGI of $250,000, gifts in excess of $1,250 will qualify for a charitable deduction.

   **How This May Impact Your Giving:**
   If you have been considering a gift for Tufts, making your gift before December 31, 2025 might be a win-win for you and Tufts.

   Do you have an existing pledge? You could take the opportunity to accelerate your pledge payments during 2025.

   When considering gifts to Tufts in 2026, you may opt for a "bunching" strategy whereby you make larger gifts in one particular year to maximize your tax deductions.

2. **New Limits to Deductions for Itemizers in the Top Tax Bracket**
   Beginning January 1, 2026, if you are in the 37% marginal tax bracket, the OBBB caps the benefits of your total itemized deductions, including the charitable deduction, at 35%. Income tax savings will be capped at $0.35 for each dollar contributed.

   **How This May Impact Your Giving:**
   You may want to consider accelerating your charitable giving to Tufts before December 31, 2025, including making a major gift or payments on existing pledges, to maximize your tax savings before benefits change.

3. **New "Above-the-Line" Charitable Deduction for Non-Itemizers**
   Beginning on January 1, 2026, if you do not itemize you may be able to deduct up to $1,000 in charitable gifts ($2,000 for joint filers). Contributions to donor advised funds or private non-operating foundations do not qualify for this deduction, and this provision is not indexed for inflation.

   **How This May Impact Your Giving:**
   If you take the standard deduction, you may be eligible for a tax benefit for making a gift to Tufts in 2026. Whether you are a new donor or are a long-time supporter of Tufts, please consider making your first gift or increasing your annual support.

4. **Increased Standard Deduction**
   The Tax Cuts and Jobs Act (TCJA) doubled the standard deduction amount beginning in 2018 and annually indexed it for inflation, but those changes were scheduled to expire at the end of 2025. The OBBB makes permanent the higher standard deduction and inflation indexing.

   **How This May Impact Your Giving:**
   Regardless of whether you take the standard deduction or itemize, here are some tax savvy ways to make a gift to Tufts:

   - *Qualified Charitable Distributions (QCDs)*: If you are 70½ or older, you can make a QCD, up to $108,000 in 2025, from your IRA directly to Tufts and exclude the amount from your income for federal tax purposes, reducing your taxable income. You will not receive a charitable deduction, but the QCD counts toward your required minimum distribution (RMD) which you must begin taking at age 73.

   - *Gifts of appreciated assets*: You can make a gift to Tufts at any age of long-term, appreciated assets (such as publicly traded and closely held stock, real estate, art, cryptocurrency). Giving the appreciated assets would avoid the capital gains tax due if you were to sell the asset yourself and gift the proceeds, thereby providing a valuable tax benefit for giving.

*Tufts University Gift Planning Office is prohibited from giving legal or financial advice, and nothing provided herein should be interpreted as such. We encourage you to consult with your own advisor.*