



Key Charitable Giving Provisions in the One Big, Beautiful Bill

I. **Permanent Restoration of a Charitable Deduction for Non-Itemizers**

The Act restores a permanent charitable deduction for non-itemizers that is much more generous than the modest and temporary provision included in the House bill. Non-itemizing taxpayers would be able to deduct:

- \$1,000 for individuals
- \$2,000 for joint filers

Effective: 2026 tax year and beyond.

II. **New Floor on Deduction for Itemized Charitable Giving**

The Act introduces a 0.5% of Adjusted Gross Income (AGI) floor on itemized charitable giving. A donor who itemizes would only be allowed to deduct the amount of his or her charitable donations above this floor.

Effective: 2026 tax year and beyond.

III. **Limitation on Value of Itemized Deductions**

The Act caps the value of itemized deductions, including the charitable deduction, for taxpayers in the 37 percent marginal tax bracket at 35%. A donor in the 37 percent tax bracket would effectively lose 2 cents in tax savings for every dollar they contribute.

Effective: 2026 tax year and beyond.

IV. **Permanent Extension of 60% AGI Limitation on Cash Gifts**

The Act permanently extends the 60% Adjusted Gross Income (AGI) limitation for cash gifts that was temporarily enacted by the Tax Cuts and Jobs Act in 2017. Prior to the TCJA, this limitation was 50% of AGI.

Effective: 2026 tax year and beyond.

V. **New Floor on Deduction for Corporate Charitable Giving**

Corporations will only be able to deduct charitable gifts above 1% of their corporate taxable income. Contributions below the 1% of taxable income threshold will not be deductible.

Effective: 2026 tax year and beyond.

VI. **Increased Excise Taxes on Certain Private College and University Endowments**

The Act increases the current excise tax on net investment income for certain private colleges and universities. The tax will apply to private college and universities with the following endowment values:

- Less than \$500,000 per student = no tax.
- \$500,000 per student not in excess of \$750,000 per student – 1.4% tax.
- \$750,000 per student not in excess of \$2,000,000 per student – 4% tax.
- In excess of \$2,000,000 per student – 8% tax.

In addition to the criteria above, the tax only applies to private colleges and universities that:

- Enroll more than 3,000 tuition-paying students.
- Enroll more than 50% of tuition-paying students located in the United States.

Effective: 2026 tax year and beyond.