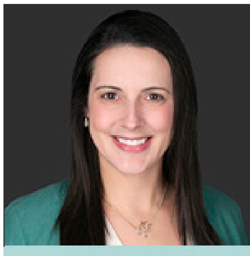
October 2025

LEHIGH VALLEY COMMUNITY FOUNDATION

CAUSE CONNECTION

Connecting people who care to causes that matter



Carrie's Corner

The latest Intel from LVCF's Director of Donor Services

Make 2025 Count:

Secure the Full Value of Your Charitable Gifts

As 2025 winds down, it's a good time for generous individuals and families to review their charitable giving plans. Significant federal tax changes are scheduled to take effect in 2026, and acting now could help you preserve the full value of your charitable deductions.

Why Giving in 2025 Matters

Because the new rules don't take effect until January 1, 2026, there is still time to take advantage of the current, more favorable deduction rules. Many donors are considering **"bunching"** multiple years of planned donations into 2025 to maximize their tax benefit. For instance, a couple planning to give $50,000 over two years could save more than $2,000 in taxes by making the full gift in 2025 rather than spreading it between 2025 and 2026.

How the Community Foundation Can Help

If you're not ready to distribute a large gift to multiple nonprofits all at once, the **Lehigh Valley Community Foundation** offers flexible options to help. One of the most effective tools is a **Donor-Advised Fund (DAF)**. By opening or adding to a DAF in 2025, you can:

- Contribute cash or appreciated assets now and receive the full deduction this year.
- Recommend grants to your favorite nonprofits over time—on your schedule.
- Take advantage of 2025's tax benefits while continuing your giving in future years.

A DAF through LVCF allows you to make a strategic gift today while sustaining your charitable impact for years to come.

Make the Most of This Moment

If you'd like to discuss how these changes might affect your giving—or how a fund at the Lehigh Valley Community Foundation can help you plan strategically—please contact our team. We're here to help you make the most of your philanthropy.

New Federal Tax Reality

The **One Big Beautiful Bill Act** (OBBBA), passed in July, introduces new limits that will make charitable giving slightly less tax-advantaged starting next year.

What's Changing in 2026

- **New 0.5% AGI Floor:** Beginning in 2026, the first 0.5% of your income donated to charity will no longer be deductible. Currently, every dollar you give (up to normal IRS limits) can be deducted.
- **Reduced Deduction Rate for Top Earners:** For those in the 37% tax bracket, charitable deductions will only offset income at a 35% rate beginning in 2026.
- **Limited Deduction for Non-Itemizers:** Taxpayers who take the standard deduction will be able to deduct up to $1,000 (single) or $2,000 (joint) in charitable gifts.

Together, these changes mean that in 2026 and beyond, charitable gifts may provide a smaller tax benefit than they do today.