

Preparing for the 2027 Tax Season

Year-End Planning and Charitable Giving

A practical year-end planning checklist to share with clients by Chris Betley, CPA, Shareholder, Buckno Lisicky & Company (guest column)



Tax season may not be top of mind in October, but the months leading into Thanksgiving and the holidays are an ideal time to plan ahead. As many of us begin thinking about the people, organizations and causes that matter most, it is also worth considering how year-end giving fits into your overall financial picture. The choices you make now—about charitable gifts, income, investments and other financial activity—can have a meaningful effect on your 2026 return, making filing easier and helping you avoid missed opportunities after December 31.

Take a quick look at the year so far

You do not need to wait for your tax documents to arrive. A simple Q4 check-in can help uncover issues while there is still time to address them:

- Compare your expected 2026 income with 2025, including compensation, investments, retirement distributions and business income.
- Review federal and state withholding and estimated tax payments, especially if your income changed during the year.
- Account for significant investment gains that may require additional withholding or an estimated payment.
- Gather records for income, deductible expenses, investments, retirement contributions and charitable gifts before filing season begins.



Think about how you want to give

If charitable giving is already part of your plans, this year brings a few changes and options worth discussing with your advisor:

- If you itemize, charitable contributions generally are deductible only to the extent they exceed 0.5% of adjusted gross income beginning in 2026, making the timing and amount of your gifts especially important.
- People who take the standard deduction may be eligible for a federal deduction of up to \$1,000 for qualifying cash gifts, or up to \$2,000 for married couples filing jointly.

- Donating appreciated securities directly to a qualified charity may allow you to claim a charitable deduction while avoiding some or all of the capital gain that could result from selling.
- A donor-advised fund may be a good option if you want to contribute now and recommend grants over time. Community foundations, including the Lehigh Valley Community Foundation, can help you and your advisor establish a fund for the causes that matter most to you.
- If you are age 70½ or older, ask about a Qualified Charitable Distribution from an IRA. When requirements are met, the transfer may be excluded from taxable income and can count toward a required minimum distribution when applicable.

Keep your paperwork together

Good records help prevent delays & questions when it's time to file:

- Save receipts and acknowledgments for every charitable gift.
- Obtain a written acknowledgment from the charity for each contribution of \$250 or more.
- Ask your advisor about additional reporting or appraisal requirements before making a noncash gift

Have the conversation before year end.

Once January hits, many planning opportunities are gone. October and November are good times too:

- Talk with your tax advisor about charitable giving, retirement planning, investment transactions and estimated taxes.
- Include both your advisor and the Community Foundation when considering a larger gift so it can be structured appropriately and completed on time.

Planning ahead can make tax season easier and help you approach year-end giving with greater clarity. By reviewing your finances and charitable goals before December 31, you can enter the 2027 filing season prepared and confident that your generosity supports the people and causes that matter most to you.

Five Charitable Giving Moves Before Year-End

October is here, and year-end planning is underway. Even if you've discussed upcoming deadlines, reminders matter. Clients appreciate knowing you're attentive to their tax, estate, and financial planning priorities. New charitable deduction rules and opportunities to give appreciated assets make these conversations especially important in 2026. Here are five strategies to revisit before December 31.

- 1 Clients 70½ or older? Ask about QCDs** | Qualified Charitable Distributions (QCDs) from IRAs remain a valuable giving strategy. The 2026 limit is \$111,000 per taxpayer. For clients subject to required minimum distributions (RMDs), qualifying QCDs can satisfy that obligation while generally excluding the distribution from taxable income. QCDs cannot go to donor-advised funds, but certain other community foundation funds qualify.
- 2 Consider bunching charitable gifts** | With a higher standard deduction and a new 0.5%-of-adjusted-gross-income floor on itemized charitable deductions, bunching deserves attention. Clients may benefit from combining several years of contributions into one tax year, taking the standard deduction in subsequent years. A donor-advised fund lets them contribute now and recommend charitable grants over time.
- 3 Cash isn't always king** | Before clients write checks, consider appreciated assets. Donating publicly traded securities held longer than one year can generally avoid capital gains taxes on appreciation while providing a fair-market-value charitable deduction, subject to limitations. Real estate, closely held business interests, and other appreciated property also offer opportunities. These gifts require advance planning, and the community foundation can help evaluate potential contributions.
- 4 Don't overlook non-itemizers** | Beginning in 2026, taxpayers taking the standard deduction can also deduct up to \$1,000 in qualifying cash charitable gifts, or \$2,000 for married couples filing jointly. Restrictions apply, including the exclusion of gifts to donor-advised funds. This new benefit is worth highlighting for clients who don't itemize.
- 5 Think beyond December 31** | Year-end is also an opportunity to revisit long-term charitable intentions. Do clients' wills or trusts reflect their philanthropic goals? Have IRA beneficiary designations been reviewed? A brief conversation can help ensure charitable wishes are incorporated into estate plans.

LVCF is here to help. As you guide clients through year-end decisions, we're ready to assist with charitable giving strategies, complex gifts, and long-term philanthropic planning.



Retirement accounts offer two distinct charitable planning opportunities: giving during a client's lifetime and leaving assets to charity after death. Understanding both can help advisors align financial and philanthropic goals.

Lifetime Giving: Qualified Charitable Distributions

Clients age 70½ and older can make Qualified Charitable Distributions (QCDs) directly from IRAs to eligible charities, including certain community foundation funds. The 2026 limit is \$111,000 per taxpayer. For clients subject to required minimum distributions (RMDs), generally beginning at age 73, qualifying QCDs can satisfy all or part of an RMD while excluding that amount from taxable income. Currently, QCDs cannot go to donor-advised funds or come directly from employer-sponsored plans such as 401(k)s.

Legacy Giving: Retirement Accounts as Charitable Gifts

Clients of any age can name a charity, including a donor-advised fund at the community foundation, as beneficiary of an IRA or other eligible retirement account. This allows remaining assets to support charitable causes after death, generally avoiding the income taxes individual heirs might owe on inherited traditional retirement accounts.

Two Strategies, One Conversation

These opportunities can complement one another. Clients may use QCDs during retirement while also naming charitable beneficiaries, or simply choose to make a legacy gift. As circumstances change, advisors should revisit two questions:

- Could your IRA support favorite causes during your lifetime?
- Could assets become part of your charitable legacy?

Legislation Worth Watching

Two bipartisan proposals could expand QCD options. The Charity Parity Act would allow QCDs directly from employer-sponsored retirement plans, while the IRA Charitable Rollover Facilitation and Enhancement Act would extend eligibility to donor-advised funds. Neither proposal is currently law.

The community foundation is here to help. We're ready to work with you on QCDs, retirement account beneficiary designations, and other charitable planning strategies.