

CHARITABLE CONTRIBUTION CHANGES



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**ADVANCING AMERICAN
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TOPLINE: The One Big Beautiful Bill (OBBB) will allow those who claim the standard deduction to deduct up to \$1,000/\$2,000 (single/married joint filers) of charitable giving beginning in 2026.

BACKGROUND: Itemizing charitable deductions has long been a fixture of tax season for high-income Americans. However, middle-income Americans have seldom used the deduction, because it historically hasn't been available to filers claiming the standard deduction instead of itemizing. Most middle-income families choose the standard deduction, because the flat standard deduction amount (\$32,200 for married joint filers as of 2026) dwarfs the amount of itemizable deductions the typical family could claim.

Prior to OBBB, corporations could also deduct charitable contributions, up to 10% of their taxable income.

What OBBB Does:

- Creates an “above-the-line” deduction for charitable contributions of up to \$1,000/\$2,000 that is available specifically to non-itemizers (beginning 2026).
- Sets a floor on charitable deductions for itemizers, such that contributions don't become deductible until they reach 0.5% of adjusted gross income (2026).
- Sets a floor on charitable deductions for corporations, such that contributions don't become deductible until they reach 1% of net income (beginning 2026).

Why It Matters?

- Before OBBB, about 90% of individual taxpayers couldn't deduct any charitable giving because they claimed the standard deduction.
- A 2005 study by the Center on Philanthropy at Indiana University showed that Americans making less than \$100,000 gave 67% of donations to churches or religious causes, compared to 17% for those making \$1 million or more (and corporations likely give even less to religious causes).
- Shifting a modest amount of the tax advantage of charitable giving to middle-income Americans may modestly align the nation's giving with Americans' religious and socially conservative character.

Where Can I Find the Changes? OBBB Section [70424-70426](#); [26 U.S.C. § 170](#).

BOTTOMLINE: The above-the-line charitable deduction for non-itemizers is a modest incentive to middle-income Americans to give to causes that matter to them. By pairing the change with floors on charitable deductions for itemizers and corporations, Congress expanded incentives to give to good causes with no net deficit impact.

