

Tax-Smart Charitable Giving After The OBBBA

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Today's Co-Presenter

- **Lawrence Pon** is a certified public accountant, personal financial specialist, certified financial planner, enrolled agent, United States Tax Court practitioner and accredited estate planner in Redwood Shores, CA
- Mr. Pon has been in practice since 1986 and a national professional tax speaker to tax professionals and financial planners
- Mr. Pon teaches Income Tax at College of San Mateo
- Mr. Pon received his BS in Business Administration from UC Berkeley and MS in Taxation from Golden Gate University in San Francisco

Today's Co-Presenter

- **Richard “Rick” Peck** is an independent philanthropy advisor with Richard C. Peck Consulting, LLC, working with nonprofits, donors, potential donors, and professional advisors with 28 years of experience in financial services and philanthropy.
- Mr. Peck is also the founder of The Philanthropy Guy[®], LLC, a leading-edge charitable giving resource hub featuring a weekly podcast series called Money to Give that is broadcasting in over 37 countries and listed in the top 10% of all podcasts globally.
- Mr. Peck also produces a weekly newsletter for nonprofits, donors, and professional advisors that you can register for by going to that site—where he offers various other learning opportunities as well.
- Mr. Peck is a CERTIFIED FINANCIAL PLANNER[™], Chartered Advisor in Philanthropy[®], and Chartered Financial Consultant[®]. And, Mr. Peck is one of the 21/64 Certified Advisors and received his Daylight Advisors Impact Philanthropy Advisor certification.

Outline

- Charitable planning is more than just tax deductions
- Who are philanthropy advisors?
- How can financial advisors work with philanthropy advisors?
- Planning for different types of clients
 - Clients who claim the standard deduction
 - Affluent itemizers affected by the new limitations
 - Retirees eligible to make QCDs
 - Executives holding highly appreciated or concentrated stock
 - Business owners preparing for a sale or liquidity event

Charitable Planning

- Charitable Planning is more than tax deductions. It reflects:
 - People's values
 - People's issue areas/causes they care about
 - It is about impact
 - It is about community and family legacy
 - Family Focus Statements

Philanthropy Advisors

- Who are Philanthropy Advisors?
 - It is their primary role: guiding the \$600B+ giving landscape in the U.S.
 - They come from the world of development, or family offices, or even the for-profit world (e.g. Morgan Stanley, Bank of America, or UBS)
 - They talk to families about their values: is the family's giving indicative of what they care about?
 - They talk about their issue areas: is the family being proactive or simply responding to what solicitations come their way?
 - They discuss charitable giving vehicles (like DAFs, private foundations, and CRTs)
 - They discuss the types of assets to donate: when/how/why it makes sense in various situations
 - Importantly, they integrate with CPAs, wealth advisors, and trusts & estates attorneys to carry forth what the client and family care about
 - Find them via Daylight Advisors or the Independent Philanthropy Advisor Referral Group (IPAR Group); a conversation with them can help you find the right fit

How Can Financial Advisors Work with Philanthropy Advisors

- Financial advisors can learn through the training you are experiencing today
- Then, they can determine how to open the conversation with clients and pull in a philanthropy advisor
- Examples from Ledyard Wealth Management...
- Often, the philanthropy advisor is not only helping the clients reach their charitable goals, but financial products and services opportunities arise that the financial advisor can implement (e.g. donating non-cash assets to a DAF, managing the assets a DAF, second-to-die life insurance, long-term care insurance, etc.)

Standard deduction	Single; Married Filing Separately	Married Filing Jointly; Surviving Spouses	Heads of Households
TY 2025 Under OBBB	\$15,750	\$31,500	\$23,625
TY 2026 Under OBBB	\$16,100	\$32,200	\$24,150

- Additional standard deductions for 2026
 - If 65 and older or blind
 - \$1,650 if married
 - \$35,500 standard deduction if both spouses > 65
 - \$2,050 if unmarried
 - \$18,250 standard deduction if > 65

Clients Who Claim the Standard Deduction

- Nonitemizer Cash Charitable Contributions
- \$1,000 for unmarried, \$2,000 for married
- Cash contributions
- Made to public charities
- Same charitable contribution substantiation rules apply

**SCHEDULE A
(Form 1040)**Department of the Treasury
Internal Revenue Service**Itemized Deductions**

Attach to Form 1040 or 1040-SR.

Go to www.irs.gov/ScheduleA for instructions and the latest information.**Caution:** If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 17.

OMB No. 1545-0074

2026Attachment
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

**Medical
and
Dental
Expenses****Caution:** Do not include expenses reimbursed or paid by others.

- 1** Medical and dental expenses (see instructions) **1**
- 2** Enter amount from Form 1040 or 1040-SR, line 11b **2**
- 3** Multiply line 2 by 7.5% (0.075) **3**
- 4** Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- **4**

**Taxes You
Paid**

- 5** State and local taxes (SALT).
- 5a** State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ☐ **5a**
- 5b** State and local real estate taxes (see instructions) **5b**
- 5c** State and local personal property taxes **5c**
- 5d** Add lines 5a through 5c **5d**
- 5e** Enter the smaller of line 5d or \$40,400 (\$20,200 if married filing separately). If Form 1040 or 1040-SR, line 11b, is more than \$505,000 (\$252,500 if married filing separately), or if you completed Form 2555, Form 4563, or excluded income from Puerto Rico, see instructions **5e**
- 6** Other taxes. List type and amount:

_____ **6**
- 7** Add lines 5e and 6 **7**

**Interest
You Paid****Caution:**
Your mortgage
interest
deduction may
be limited. See
instructions.

- 8** Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box ☐
- 8a** Home mortgage interest and points reported to you on Form 1098. See instructions if limited **8a**
- 8b** Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address **8b**
- _____

- 8c** Points not reported to you on Form 1098. See instructions for special rules **8c**
- 8d** Mortgage insurance premiums (see instructions) **8d**
- 8e** Add lines 8a through 8d **8e**
- 9** Investment interest. Attach Form 4952 if required. See instructions **9**
- 10** Add lines 8e and 9 **10**

Gifts to Charity	11	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11		
	12	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12		
	13	Enter the amount from line 6 of the Charitable Contribution Limitation Worksheet	13		
	14	Carryover from prior year	14		
	15	Add lines 13 and 14	15		
Casualty and Theft Losses	16	Casualty and theft loss(es) from a federally or state-declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions	16		
Other Itemized Deductions	17	Other itemized deductions (see instructions).			
	17a	Deductible gambling losses If you have gambling winnings that you reported on Schedule C or Schedule E, check here ☐	17a		
	17b	Net qualified disaster loss	17b		
	17c	Standard deduction claimed with qualified disaster loss	17c		
	17d	Casualty and theft losses of income-producing property	17d		
	17e	Federal estate tax on income in respect of a decedent	17e		
	17f	Deduction for amortizable bond premium	17f		
	17g	Ordinary loss attributable to a contingent payment debt instrument or an inflation-indexed debt instrument	17g		
	17h	Deduction for repayment of amounts under a claim of right if over \$3,000	17h		
	17i	Certain unrecovered investment in a pension	17i		
	17j	Impairment-related work expenses of a disabled person	17j		
	17k	Deductible educator expenses not reported on Schedule 1 (Form 1040)	17k		
	17z	Add lines 17a through 17k	17z		
Total Itemized Deductions	18	Is the amount on Form 1040 or 1040-SR, line 11b, minus the amounts on lines 13a and 13b of that form, more than \$384,350? ☐ No. Your deductions are not limited. Add the amounts in far-right column for lines 4 through 17z. Also enter this amount on Form 1040 or 1040-SR, line 12e. ☐ Yes. Your deductions may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter	18		
	19	If you elect to itemize deductions even though they are less than your standard deduction, check this box ☐			

Gifts to Charity Caution: If you made a gift and got a benefit for it, see instructions.	11	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11			
	12	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12			
	13	Enter the amount from line 6 of the Charitable Contribution Limitation Worksheet	13			
	14	Carryover from prior year	14			
		15	Add lines 13 and 14		15	

Gifts to Charity

- Cash contributions limited to 60% of AGI
- Cash, check, credit card, electronic transfer, payroll deduction and other monetary gifts require a bank record
 - Cash put in collection plate is not deductible unless the donor obtains a qualifying receipt or written communication
- Letter from charity
 - Charity's name
 - Contribution date
 - Amount
- > \$250 must obtain contemporaneous written acknowledgement from charity

Gifts to Charity

- Noncash contributions subject to 50%, 30%, or 20% AGI limits depending on the types of property and donee organization
- Deduction is generally FMV
 - Basis if ordinary-income property, short-term capital gain property, unrelated-use tangible personal property and certain gifts to private foundations
- Charity's acknowledgement must describe the property
- > \$500 requires Form 8283
- >\$5,000 must obtain a qualified appraisal
 - Attach to tax return if > \$500,000
 - Contemporaneous written acknowledgement

Form 8283 (Rev. December 2025) Department of the Treasury Internal Revenue Service	Noncash Charitable Contributions Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over \$500 for all contributed property. Go to www.irs.gov/Form8283 for instructions and the latest information.	OMB No. 1545-0074 Attachment Sequence No. 36
Name(s) shown on your income tax return		Identifying number

Enter the entity name and identifying number from the tax return where the noncash charitable contribution was originally reported, if different from above.

Name: _____ Identifying number: _____

Check this box if a family pass-through entity made the non-cash charitable contribution. See instructions ☐

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities—List in this section **only** an item (or a group of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities and certain other property even if the deduction is more than \$5,000. If you need more space, attach a statement. See instructions.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description and condition of donated property (For a vehicle, enter the year, make, model, and mileage. For securities and other property, see instructions.)
A		☐	
B		☐	
C		☐	
D		☐	

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instructions)	(i) Method used to determine the fair market value
A					
B					
C					
D					

Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities, Vehicles, Intellectual Property or Inventory Reportable in Section A)—Complete this section for one item (or a group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions reportable in Section A). Provide a separate form for each item donated unless it is part of a group of similar items. A qualified appraisal is required for items reportable in Section B and in certain cases must be attached. See instructions.

Part I Information on Donated Property

2 Check the box that describes the type of property donated. See instructions for definitions.

a ☐ Art (contribution of \$20,000 or more) b ☐ Qualified conservation contribution b(1) ☐ Certified historic structure NPS # _____ c ☐ Art (contribution of less than \$20,000)	d ☐ Other real estate e ☐ Equipment f ☐ Securities g ☐ Collectibles h ☐ Intellectual property	i ☐ Vehicles j ☐ Clothing and household items k ☐ Digital assets l ☐ Other
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3	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If any tangible personal property or real property was donated, give a brief summary of the overall physical condition of the property at the time of the gift.	(c) Appraised fair market value
A			
B			
C			

(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	(h) Qualified conservation contribution relevant basis (see instructions)	(i) Amount claimed as a deduction (see instructions)
A					
B					
C					

Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over \$500 for all contributed property.

Go to www.irs.gov/Form8283 for instructions and the latest information.

OMB No. 1545-0074

Attachment
Sequence No. **36**

Name(s) shown on your income tax return

Identifying number

Enter the entity name and identifying number from the tax return where the noncash charitable contribution was originally reported, if different from above.

Name: Identifying number:

Check this box if a family pass-through entity made the non-cash charitable contribution. See instructions ☐

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities—List in this section **only** an item (or a group of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities and certain other property even if the deduction is more than \$5,000. If you need more space, attach a statement. See instructions.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description and condition of donated property (For a vehicle, enter the year, make, model, and mileage. For securities and other property, see instructions.)
A		☐ 	
B		☐ 	
C		☐ 	
D		☐ 	

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instructions)	(i) Method used to determine the fair market value
A						
B						
C						
D						

Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities, Vehicles, Intellectual Property or Inventory Reportable in Section A)—Complete this section for one item (or a group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions reportable in Section A). Provide a separate form for each item donated unless it is part of a group of similar items. A qualified appraisal is required for items reportable in Section B and in certain cases must be attached. See instructions.

Part I Information on Donated Property

2 Check the box that describes the type of property donated. See instructions for definitions.

- | | | |
|--|---|--|
| a ☐ Art (contribution of \$20,000 or more) | d ☐ Other real estate | i ☐ Vehicles |
| b ☐ Qualified conservation contribution | e ☐ Equipment | j ☐ Clothing and household items |
| b(1) ☐ Certified historic structure | f ☐ Securities | k ☐ Digital assets |
| NPS # <input type="text"/> | g ☐ Collectibles | l ☐ Other |
| c ☐ Art (contribution of less than \$20,000) | h ☐ Intellectual property | |

3	(a) Description of donated property (if you need more space, attach a separate statement)		(b) If any tangible personal property or real property was donated, give a brief summary of the overall physical condition of the property at the time of the gift.		(c) Appraised fair market value	
A						
B						
C						
	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	(h) Qualified conservation contribution relevant basis (see instructions)	(i) Amount claimed as a deduction (see instructions)
A						
B						
C						

Name(s) shown on your income tax return

Identifying number

Part II Partial Interests and Restricted Use Property (Other Than Qualified Conservation Contributions)—
Complete lines 4a through 4e if you gave less than an entire interest in a property listed in Section B, Part I.
Complete lines 5a through 5c if conditions were placed on a contribution listed in Section B, Part I; also
attach the required statement. See instructions.

- 4a** Enter the letter from Section B, Part I that identifies the property for which you gave less than an entire interest _____
If Section B, Part II applies to more than one property, attach a separate statement.
- b** Total amount claimed as a deduction for the property listed in Section B, Part I: **(1)** For this tax year . . . _____
(2) For any prior tax years _____
- c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization in Section B, Part V, below):
Name of charitable organization (donee) _____
Address (number, street, and room or suite no.) _____ City or town, state, and ZIP code _____
- d** For tangible property, enter the place where the property is located or kept _____
- e** Name of any person, other than the donee organization, having actual possession of the property _____

	Yes	No
5a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?		
b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?		
c Is there a restriction limiting the donated property for a particular use?		

Part III Taxpayer (Donor) Statement—List each item included in Section B, Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Section B, Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Section B, Part I and describe the specific item. See instructions.

Signature of taxpayer (donor)

Date

Part IV Declaration of Appraiser—See instructions.

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).

Sign Here

Appraiser signature

Date

Appraiser name

Title

Business address (including room or suite no.)

Identifying number

City or town, state, and ZIP code

Part V Donee Acknowledgment—See instructions.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date _____
Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? ☐ Yes ☐ No

Name of charitable organization (donee)

Employer identification number

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

Authorized signature

Title

Date

Name(s) shown on your income tax return	Identifying number

Part II

Partial Interests and Restricted Use Property (Other Than Qualified Conservation Contributions)—
Complete lines 4a through 4e if you gave less than an entire interest in a property listed in Section B, Part I.
Complete lines 5a through 5c if conditions were placed on a contribution listed in Section B, Part I; also
attach the required statement. See instructions.

4a Enter the letter from Section B, Part I that identifies the property for which you gave less than an entire interest
If Section B, Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Section B, Part I: (1) For this tax year
(2) For any prior tax years

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization in Section B, Part V, below):
Name of charitable organization (donee)
Address (number, street, and room or suite no.) City or town, state, and ZIP code

d For tangible property, enter the place where the property is located or kept

e Name of any person, other than the donee organization, having actual possession of the property

	Yes	No
5a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?		
b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?		
c Is there a restriction limiting the donated property for a particular use?		

Part III Taxpayer (Donor) Statement—List each item included in Section B, Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Section B, Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Section B, Part I and describe the specific item. See instructions.

Signature of
taxpayer (donor)

Date

Part IV Declaration of Appraiser—See instructions.

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).

**Sign
Here**

Appraiser signature

Date

Appraiser name

Title

Business address (including room or suite no.)

Identifying number

City or town, state, and ZIP code

Part V Donee Acknowledgment—See instructions.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? ☐ Yes ☐ No

Name of charitable organization (donee)

Employer identification number

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

Authorized signature

Title

Date

Limitation on Gifts to Charity

- Starting in 2026
 - .5% of AGI limitation
 - Example:
 - AGI = \$200,000
 - Donations = \$10,000
 - Limitation = .5% of \$200,000 = \$1,000
 - Deductible contribution = \$10,000 - \$1,000 = \$9,000
- How to get around it
 - Bunch charitable contributions with Donor Advised Funds (DAFs)
 - Take advantage of Qualified Charitable Distribution (QCD)

QCDs

- Direct IRA trustee-to-charity transfer that can be excluded from gross income
 - 2026 maximum = \$111,000
- IRA owner must be 70 ½ before distribution is made
- Cannot be made to DAFs or supporting organizations
- Can satisfy RMDs
- One-time QCD rollover to Charitable Gift Annuity (CGA) or Charitable Remainder Trust (CRT)
 - 2026 maximum = \$55,000
 - Only donor, donor's spouse, or both may receive the annuity or trust

live in the same household as your spouse at the end of 2025.

Income

Attach Form(s)
W-2 here. Also
attach Forms
W-2G and
1099-R if tax
was withheld.

If you did not
get a Form
W-2, see
instructions.

Attach Sch. B
if required.

1a	Total amount from Form(s) W-2, box 1 (see instructions)			1a	
b	Household employee wages not reported on Form(s) W-2			1b	
c	Tip income not reported on line 1a (see instructions)			1c	
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)			1d	
e	Taxable dependent care benefits from Form 2441, line 26			1e	
f	Employer-provided adoption benefits from Form 8839, line 31			1f	
g	Wages from Form 8919, line 6			1g	
h	Other earned income (see instructions). Enter type and amount:			1h	
i	Nontaxable combat pay election (see instructions)		1i		
z	Add lines 1a through 1h			1z	
2a	Tax-exempt interest	2a		b	Taxable interest
3a	Qualified dividends	3a		b	Ordinary dividends
c	Check if your child's dividends are included in 1 ☐ Line 3a 2 ☐ Line 3b				
4a	IRA distributions	4a		b	Taxable amount
c	Check if (see instructions) 1 ☐ Rollover 2 ☐ QCD 3 ☐				
5a	Pensions and annuities	5a		b	Taxable amount
c	Check if (see instructions) 1 ☐ Rollover 2 ☐ PSO 3 ☐				
6a	Social security benefits	6a		b	Taxable amount
c	If you elect to use the lump-sum election method, check here (see instructions)				
d	If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here				
7a	Capital gain or (loss). Attach Schedule D if required			7a	
b	Check if: ☐ Schedule D not required ☐ Includes child's capital gain or (loss)				
8	Additional income from Schedule 1, line 10			8	
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income			9	
10	Adjustments to income from Schedule 1, line 26			10	
11a	Subtract line 10 from line 9. This is your adjusted gross income			11a	

Donor-Advised Funds (DAF)

- DAF is a separately identified fund or account that is owned and controlled by a qualifying sponsoring organization
 - Donor or donor advisor retains advisory privileges over distributions or investments
 - Donor's role must remain advisory
- Donor claims charitable contribution deduction when assets contributed to DAF
- DAF grants are generally permitted to public charities
- DAF cannot receive QCDs

Recent Charitable Deduction Cases

- Wells, TC Memo 2026-49
 - Donee acknowledgement omitted both a description of the donated property and whether goods or services were provided
 - Charitable deduction carryover denied - \$4,420,000
- Rock Cliff Reserve LLC, TC Memo 2025-73
 - Failed to attach appraisals
 - More than \$62 million deductions denied plus penalties
- IQ Holdings, Inc. vs. Comm, TC Memo 2024-104
 - CWA omitted the goods/services statement
 - Taxpayer submitted a local property tax assessment instead of a qualified appraisal
 - \$2,932,168 deduction denied

Recent Charitable Deduction Cases

- Estate of Hoensheid v. Comm, TC Memo 2023-34
 - Appraisal for closely held stock omitted the contribution date, appraiser qualifications, and statement that it was prepared for federal income tax purposes
 - \$3,282,511 charitable deduction denied
- Schweizer v. Comm, TC Memo 2022-102
 - Form 8283, Section B was essentially blank
 - Missing acquisition information, physical condition, appraiser and donee signatures
 - Required attached appraisal for a high-value art donation
 - \$800,000 art-donation deduction denied

Recent Charitable Deduction Cases

- Brooks v. Comm, TC Memo 2022-122
 - CWA did not state that the donors received no goods or services in exchange for the contribution
 - \$3.1 million charitable deduction denied
- Keefer v. US, 2022 WL 2473389
 - DAF acknowledgement did not satisfy the additional §170(f)(18) requirement to state whether the donee had exclusive legal control over the contributed assets
 - \$1.25 million deduction for a purported contribution of a limited partnership interest was denied

Practitioner Takeaways

- Confirm CWA includes:
 - Cash amount
 - Description of noncash property
 - Whether goods or services were provided
 - A description and good faith estimate of any consideration received
- Noncash gifts over \$5,000
 - Review Form 8283, Section B
 - Description, date acquired, manner of acquisition, cost or adjusted basis, FMV, appraiser signature, and donee acknowledgement
- Gifts over \$500,000
 - Attach qualified appraisal

Retirees Eligible to Make QCDs

- Example
 - Client turns 73 in 2026
 - Required to take RMD by April 1, 2027
 - Take no RMD in 2026 – does not need the money
 - Suggestion
 - Must take 2026 RMD by April 1, 2027
 - Must take 2027 RMD by December 31, 2027
 - Rollover \$55,000 (or 2027 CGA limit) by April 1, 2027
 - Rollover remaining RMD to charities by December 31, 2027
 - Accomplish
 - No additional income in 2026
 - No additional income in 2027
 - Claim Enhanced Senior Deduction = \$6,000
 - Reduce IRMAA
 - CGA distribution starts in 2028
 - 2028 take advantage of QCD

Executives Holding Highly Appreciated or Concentrated Stock

- Consider taking advantage of
 - Charitable Gift Annuity
 - Charitable Remainder Trust
 - Donor-Advised Fund
 - Minimize impact of 0.5% of AGI limitation
 - Minimize impact of the 2/37 limitation
- Pair with taking capital gains
 - §1202 stock
 - 0%/15%/20% capital gains tax brackets

Business Owners Preparing For a Sale or Liquidity Event

- Very careful planning required if donating stock before sale or liquidity event
 - Watch out for assignment of income doctrine
 - If already a party to a sale contract or the right to the sale proceeds has virtually ripened before the gift
 - The sale may be attributed to the donor under the anticipatory assignment-of-income doctrine
 - Where the contribution of stock is made at a time when it is a virtual certainty that the sale will take place such that the donor essentially bears little or no risk of the sale not occurring
 - Factors considered:
 - Any legal obligation to sell by the donee
 - The actions already taken by the parties to affect the transaction
 - The remaining unresolved transactional contingencies, and
 - The status of corporate formalities required to finalize the transaction

Business Owners Preparing For a Sale or Liquidity Event

- Use a donor-advised fund when flexibility and public-charity treatment are priorities
 - DAF sponsor must have ownership and exclusive control over the contributed assets
- Deduction is equal to FMV at time of donation
 - Get a business valuation

Business Owners Preparing For a Sale or Liquidity Event

- Consider a CRT when the owner wants diversification plus an income stream
 - CRT works when there is appreciated property, charitable intent, and a need for lifetime or term payments
 - No gain on contribution
 - CRT can sell appreciated property without trust-level income tax
 - Income tax deduction
 - Many variations – CRUT, CRAT, NIM-CRUT, Flip CRUTs, etc.
- Watch out for prearranged sale principles
 - Assignment-of-income risk

Business Owners Preparing For a Sale or Liquidity Event

- Use private foundations selectively
 - When owner wants family governance or long-term philanthropic platform
 - Contribution of long-term capital-gain property to private foundations are generally subject to a 20% of AGI limitation
 - Reduced by unrealized gain
 - Closely held stock donated to a private nonoperating foundation generally produces a deduction limited to the lesser of basis or FMV because closely held stock does not meet the qualified-appreciated stock exception

Business Owners Preparing For a Sale or Liquidity Event

- Entity-specific considerations
 - C corporation stock is the cleanest pre-sale charitable asset
 - If owner contributes C corporation shares before the sale is binding or practically certain
 - FMV charitable deduction and avoid gain on donated shares
 - S corporation stock is less attractive
 - Charitable deduction may be reduced and complicated
 - Partnership or LLC interests have complications
 - Watch out for §751 assets (hot assets)

Business Owners Preparing For a Sale or Liquidity Event

- Considerations
 - Identify the charitable asset early
 - Before
 - Letter of intent becomes binding
 - Definitive agreements are signed
 - Approvals are obtained, or
 - Closing becomes highly certain
 - Confirm charity acceptance before transfer
 - UBTI & Excess-business-holdings concerns

Business Owners Preparing For a Sale or Liquidity Event

- Considerations
 - Complete the gift, not just the paperwork
 - Donor relinquishes dominion and control of the stock
 - Stock transferred to the charity's account
 - Obtain proper valuation and substantiation
 - Qualified appraisal and qualified appraiser
 - Contemporaneous acknowledgement
 - If business is not C corp, consider change of entity

Conclusion

- Charitable planning is not just about the tax deduction
- Learn about our clients' interests and passions
- Partner with other experts (like philanthropy advisors) to add holistic value for your clients
- Avoid getting the charitable contribution disallowed due to lack of Contemporaneous Written Acknowledgement

Resources

- IRS Publication 526 – Charitable Contributions (40 pages)
 - <https://www.irs.gov/pub/irs-pdf/p526.pdf>
- IRS Schedule A – Itemized Deductions (Pages 9-11)
 - <https://www.irs.gov/pub/irs-pdf/f1040sa.pdf>
 - <https://www.irs.gov/pub/irs-pdf/i1040sca.pdf>
- IRS Form 8283 – Noncash Contributions
 - <https://www.irs.gov/pub/irs-pdf/f8283.pdf>
 - <https://www.irs.gov/pub/irs-pdf/i8283.pdf>

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