

Charitable Contributions: Five Frequently Asked Questions

The 2025 tax season may be coming to an end, but smart giving never goes out of style. If you're wondering how to trim your 2026 tax bill while supporting the causes you care about, now's the time to plan ahead.

That's because seizing the tax advantages of qualified charitable contributions requires research and documentation. Here's what you need to know.

1. Which organizations qualify for tax-deductible charitable giving?

As a general rule, nonprofit groups, religious groups, and hospitals and medical research institutions all fall under the IRS' "tax-exempt organization" umbrella, meaning they're eligible to receive tax-deductible, [charitable donations](#). Within these categories, an organization's mission can vary broadly, from supporting veterans to maintaining parks and recreational facilities, so it should be easy to find one with a cause that [aligns with your values](#).

If you already have a specific organization in mind and want to know if it qualifies, the IRS [offers a search tool](#) that provides information on tax-exempt status. See below for more information on nonprofits falling outside this category.

2. What kinds of charitable contributions can I deduct from my taxes?

Writing a check is just one way to support a cause you care about. Other tax-deductible options include donating property, such as a vehicle or real estate, as well as stocks that have significantly appreciated in value (also known as low-basis stock). In these cases, you would deduct the fair market value at the time of the contribution.

Additionally, if you frequently volunteer with a tax-exempt organization, you can even deduct out-of-pocket expenses related to your charitable work, including what you spend on gas if you use your car while [volunteering](#). You can also take up to \$50 per month in deductions for contributions related to student exchange programs, such as paying expenses like the cost of food or transportation of a student living with you, if they are sponsored by a qualified organization.

3. Is there anything not deductible?

It's important to note that not all charitable donations are considered tax-deductible by the IRS. For example, some non-profits like the AARP or ACLU are membership groups whose funds

support legislative lobbying—though some also have associated foundations for which donations *are* tax deductible.

Money or property donated to non-tax-exempt organizations run for personal profit or to support political candidates or parties is not deductible. Nor are contributions to individuals, homeowner associations, civic leagues, social and sports clubs, labor unions, chambers of commerce, or foreign organizations (with some exceptions for those in Canada, Mexico, and Israel).

Even some types of contributions to qualified organizations may not be eligible for a deduction. While you can deduct your out-of-pocket volunteering expenses, for example, you cannot claim a deduction for the value of the time or services you provided. Similarly, you also cannot deduct the value of blood you provide to a blood bank.

Dues, fees, and bills for many organizations also fall outside of the guidelines for deductible contributions. For example, you cannot deduct the cost of tuition at a tax-exempt educational institution, a category that includes most public and private colleges and universities. Even some small things—like the price of raffle, bingo, or lottery tickets—are not deductible if you receive goods or services from the organization in exchange for the contribution.

It's also important to note that even qualifying gifts must be made to a qualified organization *and cannot be set aside for the use of a specific person*. Giving a car to the CEO of your local animal rescue wouldn't qualify, for example. Instead, the car would need to be donated to the animal rescue directly to qualify for a deduction.

4. Is there a limit to how much I can deduct?

Under the current rules, a person can deduct up to 60% of his or her gross income via qualified charitable contributions. To take these deductions, however, you need to maintain records of the contributions to provide an itemized list to the IRS.

For any monetary gifts, you should keep a record of the contribution that includes a bank record or a written statement from the qualified organization documenting the amount, date and name of the receiving organization. For contributions of \$250 or more, the IRS requires you to keep a contemporaneous written acknowledgment from the organization indicating the amount of money and a description of any other property that was part of the gift. The document should also state whether the organization provided any goods or services in exchange and, if so, offer a description and a good faith estimate of the value.

For non-cash contributions of over \$5000, [you may need to obtain an appraisal](#) for the value of the items and fill out special forms. There are also other special rules for certain types of donated property, such as cars, so be sure to check with [your accountant](#) or financial planner to ensure you're structuring your charitable contributions properly.

5. Should I use a qualified charitable distribution (QCD)?

For those age 70½ or older with an individual retirement account (IRA), [a QCD](#) is another way to engage in [charitable giving](#). The IRS permits IRA holders to transfer up to \$105,000 (or \$210,000 for married couples) from the account directly to a qualified organization, tax-free.

For IRA holders who are age 73 or older, QCDs also count toward meeting the annual minimum distribution requirements. If you make enough in your retirement from other income sources and want to minimize the tax impact of these required minimum distributions ([RMDs](#)), a QCD can be an effective strategy for both supporting causes you care about and lowering your tax bill.

If you pursue this route, make sure to get a receipt from the organization at the time of the contribution. Your accountant will use the receipt and the accompanying [IRS 1099-R form](#) to properly reflect the QCD on your income tax return.

Give—and save—with qualified charitable contributions

Charitable giving can be a great way to support your community and advance your financial goals in 2026. But it requires advanced planning, from selecting the right organizations and structuring gifts properly to ensuring you have the right documentation for a tax deduction. Working closely with your own qualified accountant and [financial planner](#) can help you craft a philanthropic strategy that maximizes your impact and your savings in 2026.

This article, which has been written by an outside source and is provided as a courtesy by Stephen B. Dunbar III, JD, CLU (AR Insurance Lic. #15714673), executive vice president of the Georgia Alabama Gulf Coast Branch of Equitable Advisors LLC, does not offer or constitute, and should not be relied upon, as tax, accounting, legal, financial or investment advice. Equitable Advisors LLC (Equitable Financial Advisors in MI and TN) and its affiliates do not make any representations as to the accuracy, completeness, or appropriateness of any part of any content hyperlinked to from this article. Your unique needs, goals and circumstances require the individualized attention of your own tax, legal and financial professionals whose advice and services will prevail over any information provided in this article. Equitable Advisors LLC and its affiliates do not provide tax, accounting or legal advice or services.

Stephen B. Dunbar III offers securities through Equitable Advisors LLC (NY, NY 212-314-4600), member FINRA, SIPC (Equitable Financial Advisors in MI & TN), offers investment advisory products and services through Equitable Advisors LLC, an SEC-registered investment adviser, and offers annuity and insurance products through Equitable Network LLC (Equitable Network Insurance Agency of California LLC). Financial professionals may transact business and/or respond to inquiries only in state(s) in which they are properly qualified.
AGE-76277674.(02/25)(exp.02/29)