2026 Tax Shifts: New Era for Property Philanthropy?

Unpacking the evolving landscape for donating appreciated real estate and maximizing impact.

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THE DATA

$617.20 Billion

Total U.S. Charitable Giving (2025)

Charitable giving in the United States reached an estimated record high in 2025.

This robust figure from the Giving USA 2026 analysis underscores the enduring generosity within the U.S. philanthropy sector. However, new federal tax rules implemented in 2026 are significantly altering the financial calculus for donors, particularly those considering contributions of complex assets like real estate. These changes necessitate a fresh strategic approach to ensure philanthropic goals are met effectively.



Source: Lilly Family School of Philanthropy · Published August 09, 2026

01

Navigating the New AGI Floor for Deductions

Starting in 2026, a new 0.5% Adjusted Gross Income (AGI) floor means only charitable contributions exceeding this threshold are deductible for itemizers. This change, part of the 'One Big Beautiful Bill,' impacts real estate owners by reducing the deductible portion of smaller gifts and raising the bar for tax savings from charitable giving. Strategic bundling of donations or careful timing becomes even more crucial.



02

Maximized Impact Through Appreciated Property Gifts

Despite new deduction caps, donating appreciated real estate remains a powerful strategy. It allows donors to avoid capital gains taxes on the property's appreciation while still receiving a charitable deduction for its fair market value. Utilizing vehicles like Donor-Advised Funds (DAFs) for real property can provide flexibility and continued tax benefits, ensuring a lasting legacy even under the revised 2026 tax framework.

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