# What If Charity Could Banish Taxation?

A new study uncovers how policy shifts can reshape donor incentives.

THE DATA

# 13 percent

**Out-of-Pocket Burden of Equivalent Excise Tax**

Nationwide adoption of SNAP soda restrictions would impose only 13% of the tax burden of a comparable excise tax.

This finding reveals a critical insight: policy interventions that restrict consumption can achieve public health goals with far less economic incidence than traditional taxation. For philanthropy through real estate, this suggests that non-tax-based restrictions—like conservation easements or deed restrictions—may offer donors a way to influence behavior without triggering the full fiscal burden of a tax. The relative lightness of the burden implies that such tools could be deployed strategically to achieve social outcomes while preserving donor wealth and flexibility.

Source: National Bureau of Economic Research · Published September 19, 2026
https://www.nber.org/papers/w35739#fromrss

# 01

## Policy as a Tax Substitute

The study shows that a 'sin ban'—a restriction on eligible purchases—can achieve 87% of the welfare gain of a tax with only 13% of the fiscal burden. This asymmetry suggests that real estate-based philanthropy can leverage non-tax mechanisms (e.g., conservation easements, restricted-use deeds) to produce social impact at a fraction of the financial cost. Donors may prefer such tools to direct cash or taxable sales, preserving capital while still driving long-term change.

# 02

## Stigma vs. Incentive Design

The study found that online purchases—where checkout stigma is reduced—still saw significant declines in restricted items. This implies that behavioral change can be driven not by shame, but by structural design. For real estate philanthropy, this suggests that donor-advised fund rules, charitable remainder trusts, or conservation easements can be engineered to shape behavior through structure, not just taxation. The mechanism matters more than the penalty.

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