One Big Beautiful Bill Act: Three Big Picture Pointers

"So what does it mean for charitable planning, really?" That's a question our team at the Chester County Community Foundation has been fielding from attorneys, CPAs, and financial advisors ever since the One Big Beautiful Bill Act became law on July 4, 2025. It's an understandable question, not only because the bill is so, well, big, but also because the roller coaster ride leading up to the final bill included many provisions that ultimately did not make it into law.

From a charitable giving perspective, here is a trio of high-level "must knows."

"I'll be back."
Although the One Big Beautiful Bill Act (OBBBA) has extended or "made permanent" many favorable tax provisions, notably the elevated estate tax exemption, this is no time to become complacent. Although no one knows what future tax legislation might look like, we all know that there will be tax legislation in the future. Today's tax advantages will not be tomorrow's tax advantages. During this so-called "tax summer," continue to talk with your clients about their charitable giving plans, staying alert and ready to help them make adjustments when the laws change again.

"Carpe diem."
If your practice includes clients who give to charity, it's crucial to get up to speed on the basics of the OBBBA's changes to charitable tax deductions. 2025 presents a window of opportunity for your clients who itemize deductions, in part because of the OBBBA's increases to the standard deduction in 2025 and in part because itemized charitable deductions will be subject to a floor and cap starting in 2026. "Bunching" using donor-advised funds at the Community Foundation is shaping up to be an important strategy this year. If you missed our last newsletter where we shared the details of these changes, please reach out. We'd be happy to send you a copy.

"Fundamentals. Fundamentals. Fundamentals."
Sure, a lot is changing, but a lot isn't! Appreciated stock is still likely to be a much more tax-savvy gift to charity than cash, and it's important to keep this top of mind. In addition, IRAs remain a powerful charitable planning tool. For instance, when your client names a fund at the Community Foundation as the beneficiary of an IRA, the gift avoids estate tax and income tax, both of which can hit heirs hard. Plus, for your clients who are 70 ½ or older, the Qualified Charitable Distribution ("QCD") is a great way to transfer up to $108,000 (2025's per-taxpayer limit) income-tax free to a qualified charity, including some types of funds at the community foundation.

Please reach out to the Chester County Community Foundation team. We're honored to be your first call when charitable giving pops up during your client conversations. Thank you for the opportunity to work together!

For more information, contact the Chester County Community Foundation:
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