TAX-SAVVY WAYS TO GIVE BEFORE YEAR-END

IL Gives Tax Credit Program - A Smart Way to Give Back AND Receive a Significant Personal Benefit

- In January 2025, the IL Gives Tax Credit Act went into effect, allowing IL individual and business taxpayers to claim a state income tax credit of **25%** when they donate to the Highland Park Community Foundation (HPCF)
- The State has set aside $5 million for credits this year
  - Once all the credits are allocated, a donor will not be able to claim a tax credit, so make your gift now!
  - Donations from a donor-advised fund or foundation are not eligible for the tax credit
- **Click HERE for step-by step instructions to claim the state tax credit**

Make an Immediate Difference with a Cash Gift – Check or Online

Support HPCF with a cash gift via check or online. Your gift may qualify for a federal income tax charitable deduction. If you are unsure whether your gift is tax-deductible, contact your financial advisor or tax consultant.

- **Important note:** If sending your donation by mail, your envelope must be postmarked on or before 12/31/25 for your gift to qualify as a donation this year

Use Appreciated Stock

Donating appreciated stock that you have owned for longer than one year allows you to qualify for an income tax deduction and eliminate any tax on the appreciation

- **Important note:** If the stock is electronically transferred to us, the gift date is the day the stock enters our account, not the date you ask your broker to make the transfer
- **Click HERE for instructions on how to transfer stock to us**

Recommend a Grant from Your Donor-Advised Fund

- If you are ready to make an impact in 2025 with your DAF, consider recommending a grant (or recurring grants) to support HPCF's work now!
- **Important note:** You qualify for an income tax deduction only when you contribute funds to the DAF. Through your grant recommendation, however, you get the satisfaction of making a difference for our community before the year ends.

Make a Gift from Your IRA

If you are 70½ or older, you can give any amount up to $108,000 from your IRA directly to HPCF. You will not pay income taxes on the transfer. This gift can also count toward your required minimum distribution.

- **Important note:** Your IRA administrator must transfer the funds by 12/31/25. If you have check-writing features on your IRA, your check must clear your account by 12/31/25 to count toward your required minimum distribution for 2025.

TAX LAW CHANGES COMING IN 2026

New Floor for Itemizers

Starting with the 2026 tax year, you will need to give at least 0.5% of your adjusted gross income (AGI) to claim a charitable deduction

- Consider maximizing your giving in 2025 before this new threshold takes place

New Limit for Top Earners

Currently, top earners get a 37-cent tax benefit for every dollar donated. Starting in 2026, that drops to 35 cents.

Higher Standard Deduction Made Permanent and Will Be Indexed for Inflation

For 2025, the standard deduction is $15,750 for single filers and $31,500 for married couples filing jointly. If you are 65 or older, you may qualify for a bonus deduction of up to $6,000, although it begins to phase out at higher income levels.

- Even if you don't itemize, you may still benefit if you give appreciated stock or, if you are 70½ or older, from your IRA.

The information provided by Highland Park Community Foundation is for general information purposes only, and does not constitute financial, tax, or legal advice.
Donors should consult their own tax of financial investors regarding their specific situations.