



Charitable Tax Deduction Bunching

The purpose of charitable bunching is to itemize your tax deductions in some years and take the standard deduction in other years. This can minimize your total taxable income over time so you can maximize your generosity.

You can bunch deductions by contributing more than one year of your planned charitable gifts to a donor advised fund (DAF) in a single year.

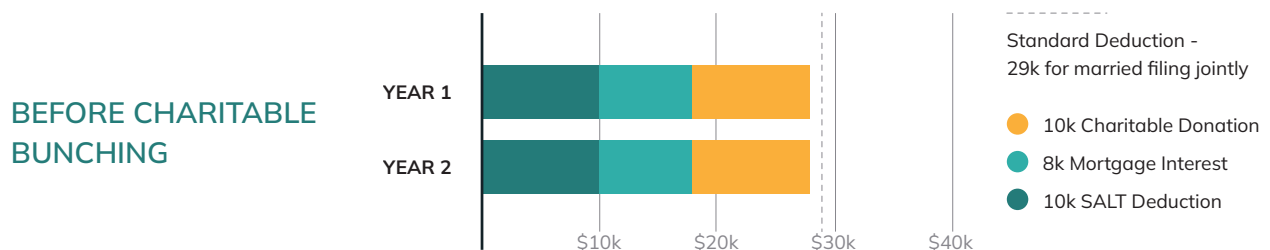
Consider this example:

SCENARIO 1: Donate \$10,000 to church every year.

The Jones family typically donates \$10,000 to their church and also takes federal deductions for mortgage interest and state and local taxes (SALT):

$$\begin{aligned}
 & \$10,000 \text{ (charitable giving)} + \$8,000 \text{ (mortgage interest)} + \$10,000 \text{ (SALT)} \\
 & = \\
 & \mathbf{\$28,000 \text{ total deduction}}
 \end{aligned}$$

This does not reach the 2024 standard deduction (\$29,200), so it is smarter for the Jones family NOT to itemize. They will likely take the standard deduction every year.



SCENARIO 2: Using a donor advised fund, donate \$20,000 one year and \$0 the next.

The Jones family decides to bunch their charitable gifts so their total deductions will surpass the standard deduction in 2024. They give \$10,000 to their church and contribute the remaining \$10,000 to a DAF.

2024

$$\begin{aligned}
 & \$20,000 \text{ (charitable giving)} + \$8,000 \text{ (mortgage interest)} + \$10,000 \text{ (SALT)} \\
 & = \\
 & \mathbf{\$38,000 \text{ total deduction}}
 \end{aligned}$$

ITEMIZE

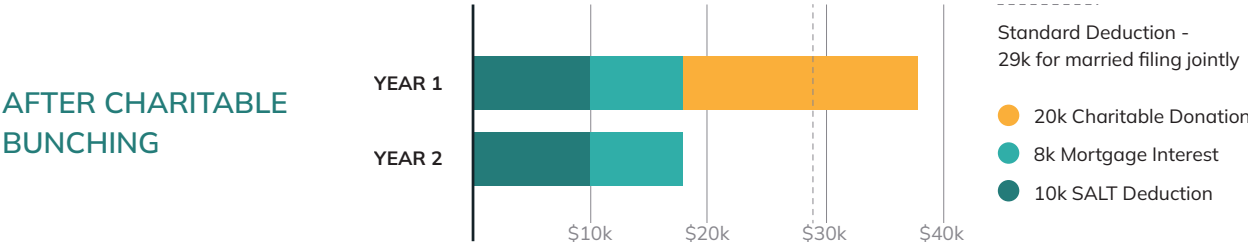
2025*

$$\begin{aligned}
 & \$0 \text{ (charitable giving)} + \$8,000 \text{ (mortgage interest)} + \$10,000 \text{ (SALT)} \\
 & = \\
 & \mathbf{\$18,000 \text{ total deduction}}
 \end{aligned}$$

STANDARD DEDUCTION

In 2025, their church still receives a gift of \$10,000 because the family had set aside the gift in a DAF.

This increases the Jones’s total deductions across both years, reducing their taxable income and likely leaving more money available to give.



* The IRS has not yet announced 2025 standard deduction. In this example, we assume that the 2025 standard deduction will remain the same as the 2024 standard deduction.



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