CHARITABLE GIVING & TAXES: WHAT NHL PLAYERS NEED TO KNOW FOR 2025 – 2026

Why This Matters

New U.S. tax rules coming into effect in 2025–2026 will change how charitable donations reduce taxes. The impact depends on whether a player itemizes deductions or takes the standard deduction. The timing of donations may significantly affect tax savings.

Standard Deduction Taxpayers

Most taxpayers—including many NHL athletes—use the standard deduction, which is a fixed amount that requires no receipts. Accordingly, the key points for these players are as follows:

- **2025**: Charitable donations do not reduce taxes for players taking the standard deduction.
- **2026**: A new rule allows a deduction of up to $1,000 (single) or $2,000 (married filing jointly) in charitable gifts even when taking the standard deduction.

In summary, players who normally take the standard deduction may benefit from delaying donations to 2026 to access the new charitable deduction.

Itemized Deduction Taxpayers

Players itemize when their deductible expenses exceed the standard deduction limit ($15,750 in 2025). These may include state taxes, mortgage interest, and charitable giving.

- **2025**: Offers greater benefit for itemizers—donations are fully deductible (subject to limits).
- **2026**: Brings new limits and restrictions for itemizers. A charitable floor applies, making the first portion of donations not deductible. In addition, the tax benefit of charitable deductions is reduced from 37% to 35%.

In summary, players who itemize should increase or "front-load" donations in 2025 to maximize deductions before the 2026 limitations.

High-Income Players

Players in high tax brackets will feel the new 2026 deduction limits most strongly. For example, a player with a reported "Adjusted Gross Income" of $1,000,000 has a floor of 0.5%, or $5,000. Therefore, the first $5,000 of donation is not deductible. A powerful planning option is front-loading multiple years of giving into a donor-advised fund (DAF) in 2025. This secures the deduction now while allowing donations to flow to charities over time.

The Bottom Line

For high income earners, who are considering large donations, there is motivation to donate now to claim donations on their 2025 tax return. However, every taxpayer's situation is different and may involve state and/or cross-border considerations. Please feel free to reach out to CPAA for more information and discuss further.