

Summary of 2026 Key Tax Facts

2026 Standard Mileage Rates

IRS released optional standard mileage rates for 2026, determined in accord with Rev. Proc. 2019-46. The rates are as follows:

- 72.5 cents per mile for business purposes
- 20.5 cents per mile for medical purposes (the moving expenses deduction is not available for 2026)
- 14 cents per mile for charitable purposes (set by statute, thus does not change annually)

2026 “Token” Amounts

The deductible amount for “insubstantial benefits to donors” for 2026 was increased by 30 cents to \$13.90.

To paraphrase IRS Publication 1771 (for 2025):

Token Exception — Insubstantial goods or services a charitable organization provides in exchange for contributions do not have to be described in the acknowledgment. Goods and services are considered to be insubstantial if the payment occurs in the context of a fund-raising campaign in which a charitable organization informs the donor of the amount of the contribution that is a deductible contribution.

The basic rule is that the token gift may be up to 2% of the donor’s gift value. However, now, there are four categories to this “exception.” **Note that the token amounts represent the cost to the charity, not fair market value.**

Small Gift Exception

Token items with the name or logo of the charity valued at less than 2% of the gift may be transferred to donors who make gifts up to \$69.50.

Mid-sized Gift Exception

Token items with the name or logo of the charity valued up to \$13.90 may be transferred to donors who make gifts between over \$69.50 and \$695.

Large Gift Exception

Token items with the name or logo of the charity valued at less than 2% of the gift may be transferred to donors who make gifts from over \$695 to \$6,950.

Very Large Gift Exception

For donors who make very large gifts, a token benefit of up to 2% of the gift value may be given up to a maximum of \$139.

2026 Inflation-Adjusted Amounts

The IRS announced annual inflation adjustments for more than two dozen tax provisions for tax year 2025, including the following:

- The annual exclusion for gifts stays at \$19,000 for 2026, same as \$19,000 in 2025.
- The annual limit on employer contributions to a Qualified Small Employer HRA are \$6,450 (Individual) and \$13,100 (family) for 2026.
- The “gross income” threshold for filing Form 990-T remains at \$1,000 for 2026 returns — the same as it has been since 1951! (But SEE Form 990-T changes!)
- The OASDI (i.e., Social Security) maximum compensation base (“FICA limit”) is \$184,500 for 2026, up from \$176,100 in 2025.
- ALL Form 990-series returns are mandated for eFiling!
- The foreign earned income exclusion rises to \$132,900 for 2026, up from \$130,000 in 2025.
- The highly compensated employee limit for 2026 increases to \$155,000, vs. \$155,000 in 2025.

Uniform Guidance Major Program Threshold

- For fiscal years beginning after 10/1/24, the threshold increases to \$1 million vs. \$750,000 for 2025!