

Car Donation Facts For You

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Donating money and good is a great way to help out worthy causes while still helping yourself out on your taxes. Car donation is no different. Even though some of the car donation tax laws changed a few years back, this is still a great way to help yourself and others. So if you have an old car and just aren't quite sure what to do with it, then consider a charitable donation of your vehicle.

As of 2005, the laws for car donation changed. For motor vehicles, boats, and airplanes that are valued at more than \$500, things are a bit different than before. The allowable amount of the deduction is now limited to whatever amount the charity sells it for. The charity to which your car donation is made is required to provide you with written acknowledgement of your donation within 30 days of you making it. If the charity provides any false or exaggerated acknowledgement, they can be penalized.

As of the first of January in 2005, when you make a car donation, the tax write off is based on how the charity uses your donated car. If it is sold, you can deduct the gross sale price. If, on the other hand, the charity uses the car for what the new law calls "significant" tax-approved work of charity, you would be able to claim the market value of the vehicle. Again, however, there are stiff penalties for falsified documents.

Some of the charities, despite acknowledging that the old laws had problems, are skeptical of the new car donation laws. Many of these organizations are concerned about what will happen when the tax deduction responsibility is put in the hands of the charities rather than the donors. A group of them actually sent a letter to the Treasury Secretary suggesting that people may be discouraged from donating when they are unaware of their deduction amount. Not being able to weigh the cost to the benefit of donation may discourage some auto donations.

If you do choose to make a car donation, you will find that the process is very easy. Most charities that offer to take your vehicle will have information on line or via phone about it. In many cases, in fact, you can fill out the appropriate forms on line to get the process underway. You also will likely not even have to be home and the vehicle may not even need to be in working condition. Many charities will come and take your car away if you can simply leave the title under a floor mat along with the key and put it somewhere accessible. As soon as the car is sold, you will receive a document in the mail letting you know how much you can write off of your taxes, legally.

Since many charities rely on donations of all sorts: clothing, cars, money, and even appliances, think about what you are doing when you make an auto donation. By donating your vehicle, you are helping out a worthy cause of your choice. In addition, you are helping yourself out. Sure, the tax laws have changed, but you can still benefit from your donation. The car doesn't have to run to be eligible, so your write off might still be more than selling it for junk. So feel good about yourself, help your tax line, and get rid of that old junker by donating your car. Christopher M. Luck has an extensive background in dealing exclusively with car donations companies and is now offering his free professional car donation secrets to the public. If you are at all interested in Christopher's professional advice, tips, or secrets on car donation you can visit his automotive blog.