

Car Donations and Charitable Donations

Article by: Michael Rad

The modern society, with its distinct wealth-based classes has always prided itself with a strong inclination to charity. From fundraising events to church donations, charity has become a way for helping others but also a way to get rid of some taxes. The tax benefit one gets from donating for charity is roughly proportional to the value of the donation of course. Lately, a new "charity trend" has formed, especially in the United States and Western/Central Europe, that of the car donation.

Car donations are practically give-aways of no longer wanted or heavily used cars, to charity organizations, individuals, companies or even institutions. In the United States, the tax benefit from such car donations is among the highest you can get from donations; hence the practice of giving away your old car when you buy a new one has become very popular. Usually, the charity organization you will donate your car too will evaluate it and set an estimative value for it, which will determine this tax reduction. For values that are under \$500, the value of this reduction is set by the donor's own estimate of the car's value. Deductions for donations over this amount are usually limited by the selling price of the vehicle. The vehicles are either sold in auctions or through direct marketing.

Although the car donation program is a solid one in theory, it has been speculated that it could soon become a "tax shelter". Since this could not be proven so far, car donations have steadily grown to a number of almost 1 million per year. This means that almost 1 million tax payers have reduced their taxes with sums of up to \$600-\$700 million each year, only through this type of car donation.

From a charity organization's point of view, the car donation program is one of the best fields to work with. Actually, it has come to a point where such non-profit organizations actually rely on car donations to keep their charity events possible. Some of them have their own car lots for donated cars and process them directly, while others rely on ads, auto auction companies and so forth. What most charity organization will do is take the donated car, sell it through the auction company and then distribute the money to local charity organizations, or further donates the money to a charity that the donor of the car indicated.

It is important to understand that the charity organizations selling donated cars don't get a profit from it, they only take a small quota of the sum to cover up their expenses. A trustworthy car donation charity organization will bring other charities and institutions a lot of money each year, genuinely helping them out. This said, it is expected that the car donation phenomenon will constantly rise with each year, if the same tax reduction laws are applied further on. Given the fact that it's one of the most solid and popular types of donations today, it's very unlikely that these reductions will be hindered by government in any way. More resources on how to make a successful charity car donation can be found on our website: CarDonationExpert.com

Here are a few other websites you might be interested in: [Expert dog training](#) and [free car photos and wallpapers](#)