

How to Donate Your Car to Charity

Donating to charity is a great way to get rid of a car when you don't have the time to negotiate with used car salesmen or don't think you can get what it's worth. Donating a car to a charity lets you deduct its fair market value from your taxable income. This article will show you how to find the best charitable organization for the maximum tax deduction in New York.

Step #1

Make sure the organization is a registered 501(c)(3) charity or a qualified religious organization that can legally accept your donation from which you can rightfully claim a tax reduction. It is also advisable to find a charity that accepts vehicles without charging a removal fee.

Step#2

Use the Kelley Blue Book or IRS Publications 526 ("Charitable Donations") and 561 ("Determining the Value of Donated Property") to determine the fair market value of your car. If it's worth \$5,000 or more, have the car appraised by someone certified.

Step #3

Receive a tax receipt with the charity's name and federal tax number, date of donation, donor's name as well as the year, make and model of the car that was donated.

Step #4

Follow New York regulations on what to do with the title and plates after notifying the DMV and your insurance company that you no longer own or insure the vehicle. Your receipt and completed IRS Form 8283 should be kept in a safe place, you'll be needing it when it comes time to file your taxes.

How to Donate the Car to Outreach Center

Step #1

Know that for the easiest method and maximum tax benefits, the clear choice for car donations is the popular "Outreach Center" You can simply fill out a form on their website www.outreachcenter.org or by calling them on 800.768.7666

Step #2

Outreach Center will give you an idea of whether your car will be able to be used as a program car that can be given in aid of needy children. If the car isn't worthy, it will be sold at auction or for scrap, in which case you can only use the sale value or scrap value. You will get an email or letter back about the decision.

Step #3

Note that in the event that you are pre-approved, you will send Outreach Center your signed title, and they will pick up the vehicle free of charge and have it inspected. If approved, you get a tax voucher in the mail letting you know you can take the fair market value for tax purposes.

Step #4

Sit back, and smile knowing that you did something nice for charity and at the same time got a nice reward for yourself as well.

TIPS

* If the charitable organization is going to make material improvements to your car donation, you must get written notice within 30 days about the use and duration of such improvements and that the asset won't be sold or bartered until the improvements are finished.

* If the fair market value of your vehicle is less than \$500, it doesn't matter what the car will be used for. You can take the full fair market value on your tax return.

WARNING:

- * Make sure you choose a reputable company before donating your car
- * Don't pay for towing - The better known car donation companies will usually foot the bill.

Things you'll Need:

- * Internet connection and computer

- * Form 1040 for Federal tax return
- * Title to car you will be donating
- * Itemized deduction tax form
- * Used car with some blue book value
- * Keys to Car

About the Author

Eddie Hart is an internationally acclaimed author and writer for many prominent internet companies.

- * [Car Donation Website](#)
- * [Kelley Blue Book value website](#)
- * IRS website for tax forms

Source: <http://www.article-idea.com>