

Frequently Asked Questions about CARS

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1. What are the benefits of donating my car to charity?

Charities benefit by receiving a cash donation to fund new and existing programs and increase community awareness through local events.

You benefit by being able to reduce your taxable income when taxes are itemized. Plus, you avoid the costs associated with selling your car. There is no need to pay for advertising, no loss of privacy and possible security risk, and no need to pay for vehicle registration, insurance, and repairs to keep your car in running condition while you wait for a buyer.

2. What percentage of the proceeds from my car donation will go to the charity or non-profit organization?

The charity or non-profit organization receives 70% of the net proceeds.

3. Does my car have to be running to donate it?

In some cases, CARS can take your car, running or not. However, it must have an engine and be towable. Contact a representative at 877-537-5277 to find out if your vehicle qualifies for pick-up.

4. How long will it take to pick up my vehicle?

We make donating your car as simple and convenient as possible. In many cases, vehicles can be picked up within the same week. Call a CARS representatives at 877-537-5277, or email donate@charitableautoresources.com to set an appointment.

5. Do I need a smog certificate in order to donate my car?

For states that require smog certificates or safety inspections, you may donate your vehicle without these documents.

6. What if I receive legal notices?

In the rare event that you receive any notification of a lien sale, DMV actions or other activity related to your donated vehicle, please contact CARS at 877-537-5277 immediately for assistance.

7. How does the new law effect my tax deduction?

Donors will no longer be responsible for determining the deductible value of their donation. Instead, they will receive *IRS Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes* if the proceeds from the sale exceed \$500, stating the amount of the gross proceeds from the sale of the donated vehicle. The amount listed on *IRS Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes* will be the gross proceeds of the deductible donation.

8. Will I get a tax receipt for my donation?

Yes, the CARS driver will issue a receipt at the time of pick-up. This is not your final tax receipt unless the sale of your vehicle does not exceed \$500. This initial acknowledgement will indicate your name as well as the year, make, model and condition of the car you are donating. It will be your only receipt if your vehicle sells for less than \$500.

An *IRS Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes* will be mailed to you within 30 days of the sale stating the amount of gross proceeds received from your car, provided your vehicle sold for more than \$500. This will be your tax receipt for your charitable contribution.

9. How is the value determined on the vehicle donated?

The value is determined by the gross proceeds raised from the sale of the donated vehicle. You no longer have the burden of determining the value yourself.

10. Does the new law affect the charities?

Charities will have additional paperwork in reporting the gross proceeds raised from the sale of the vehicle to the donor and IRS. The process of obtaining the cash donation from the vehicle remains the same.

11. What can I claim as a deduction?

According to the tax law effective January 1, 2005, if the claimed value of the donated vehicle exceeds \$500, the taxpayer is limited to the gross proceeds of the sale.

12. What if my car is valued over \$5000?

Effective January 1, 2005, you will no longer be required to have vehicles appraised. The value you may claim will be the amount of gross proceeds received from your vehicle.