

**From the desk of
Peter S. Muffoletto, C.P.A.**

Written Acknowledgment Required for Donated Vehicles

To obtain a deduction for the donation of a vehicle one must obtain from the charity IRS Form 1098C, written acknowledgment of their vehicle donation before they claim a deduction for the donation.

For deductions of more than \$500 there is also the further requirement to supply the IRS the charity's acknowledgment of the receipt of the vehicle, and the subsequent sale proceeds.

A taxpayer's deduction is limited to the gross proceeds from the sale of the vehicle by the charity.

The charity must provide a written acknowledgment within 30 days after the vehicle is sold which notifies the taxpayer of the amount of the gross sales proceeds.

A taxpayer must take the charitable contribution deduction only for the year the vehicle is transferred to the charity even if the vehicle is not sold by the charity until a later year.

Only taxpayers who itemize their deductions can take a charitable contribution deduction.

You cannot take a charitable contribution deduction of \$500 or more for a vehicle donation unless you have received either IRS Form 1098C, or a written acknowledgment of the donation from the charity.

The 1098C or written acknowledgment must be supplied to the IRS to substantiate the deduction.

If the written acknowledgment is received after filing the tax return for the year of the donation an amended return for that year can be made. The acknowledgement must be attached to the amended return.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters feel free in calling us at
(818) 346-2160,
or you can visit us on the web at
[www.petemcpa.com!](http://www.petemcpa.com)