

IRS Forms 8283 and 1098-C: A Guide for Car Donors and Charities



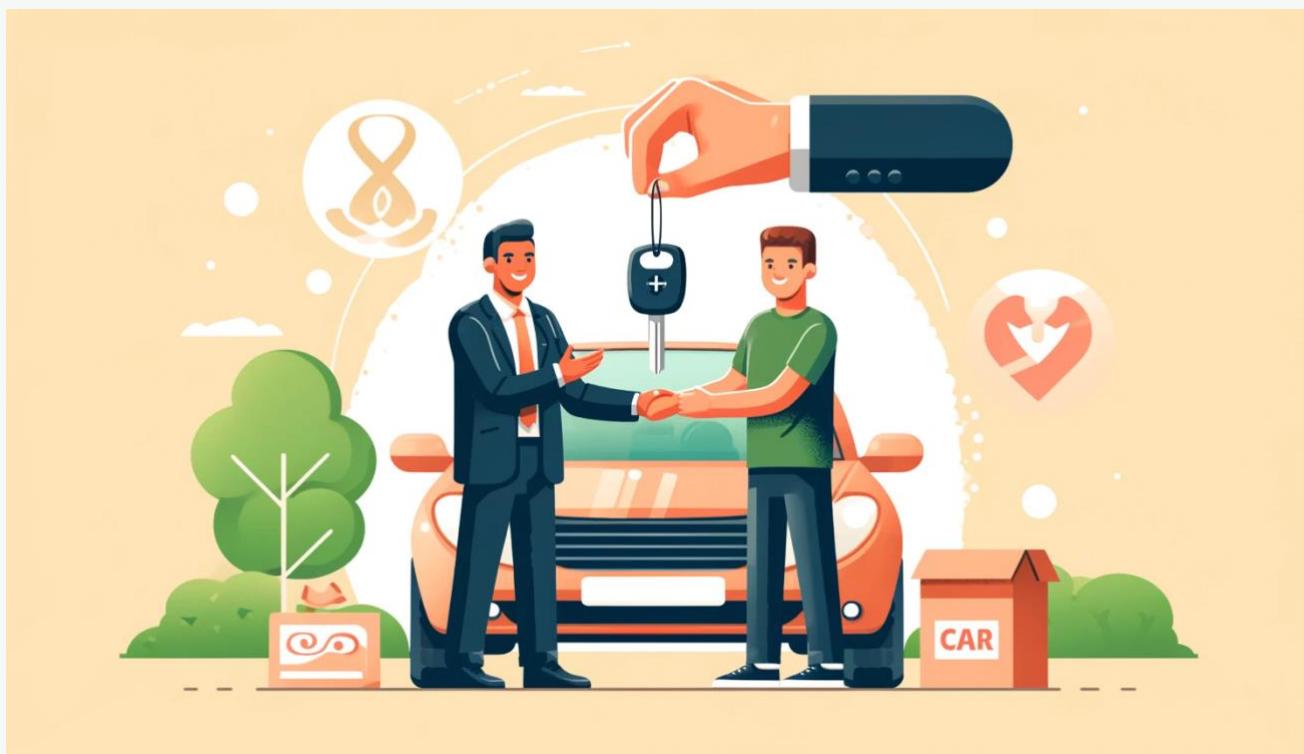
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Donating a car to charity is a commendable act that can also offer substantial tax benefits. However, to take full advantage of these benefits, it's important to understand the required paperwork, especially IRS Form 8283 and Form 1098-C. These forms serve different purposes and are used at different stages by both donors and charities. Here's a detailed look at each form, their purposes, and how they affect car donations.



What is IRS Form 8283?

Purpose: IRS Form 8283, also known as Noncash Charitable Contributions, is used by taxpayers to report noncash donations that exceed \$500 in total value. This form covers a broad range of noncash contributions, not just vehicles.

When to Use: You need to file Form 8283 if your total noncash donations for the year exceed \$500. This includes donations like clothing, artwork, real estate, and vehicles.

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Sections of Form 8283

- **Section A:** For reporting noncash contributions worth more than \$500 but less than \$5,000.
- **Section B:** For contributions of property valued at \$5,000 or more. If the donated car's value exceeds \$5,000, an appraisal is typically required.

Signatures: Depending on the donation's value, Form 8283 may need signatures from the appraiser and the charitable organization.

What is IRS Form 1098-C?

Purpose: IRS Form 1098-C is used by charitable organizations to report donations of motor vehicles, boats, and airplanes to the IRS and the donor.

When to Use: The charity completes Form 1098-C and provides a copy to the donor if the vehicle's value exceeds \$500.

Information Provided on Form 1098-C

- **Vehicle Identification:** Details such as the make, model, year, and vehicle identification number (VIN) are recorded.
- **Date of Donation:** Specifies the exact date the vehicle was handed over to the charity.
- **Charity's Plan for the Vehicle:** States whether the charity sold the vehicle, plans to use it, or will make significant modifications.
- **Sale Information:** If the charity sold the vehicle without making significant improvements, the sale price is included.

Impact on Deductions

The information provided on Form 1098-C is crucial for calculating your tax deduction. If the charity decides to sell the vehicle, your deduction is generally limited to the amount they receive from the sale. However, if the charity opts to use the vehicle or significantly improves it before selling, you may be able to claim the vehicle's fair market value as your deduction.

Key Differences Between Form 8283 and Form 1098-C

- **Form 8283:**

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- Filled out by the DONOR.
- Reports a wide range of non-cash contributions exceeding \$500.
- Requires appraisals for donations exceeding \$5,000.
- Check now: [***Form 8283 PDF***](#)
- **Form 1098-C:**
 - Completed by the CHARITABLE ORGANIZATION.
 - Specific to donations of motor vehicles, boats, and airplanes.
 - Provides details necessary for determining the donor's tax deduction.
 - Check now: [***Form 1098-C PDF***](#)

Summary and Conclusion

When donating a car, understanding the roles of IRS Form 8283 and Form 1098-C is vital. Form 1098-C, provided by the charity, helps determine your deduction. If your total noncash contributions exceed \$500, you'll also need to complete Form 8283. By familiarizing yourself with these forms, you ensure a smooth and compliant donation process.

FAQs

Q: Do I always need an appraisal for my donated car? A: An appraisal is typically required if the donated car's value exceeds \$5,000 and you're reporting it on Section B of Form 8283.

Q: What happens if the charity uses the car instead of selling it? A: If the charity uses the car or makes significant improvements before selling it, this will be indicated on Form 1098-C, potentially allowing you to claim the vehicle's fair market value.

Q: Can I claim the full market value of my donated car? A: Generally, you can claim the market value if the charity uses the car or makes improvements. If the charity sells the car without significant changes, your deduction is limited to the sale price.

Q: Who fills out Form 1098-C? A: The charitable organization receiving the vehicle donation fills out Form 1098-C and provides a copy to both the donor and the IRS.

Q: Is Form 8283 only for car donations? A: No, Form 8283 is used for all types of noncash donations exceeding \$500, including clothing, artwork, real estate, and vehicles.

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By keeping these key points in mind, both donors and charities can effectively navigate the tax implications of vehicle donations. Understanding the requirements and ensuring proper documentation will help maximize the benefits and simplify the donation process.