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Do a Good Deed and Reduce Tax Liabilities by Lisa Otto

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Minneapolis is known for being the largest city in the state of Minnesota and for its commerce. The city leads in industries such as finance, health care, rail and trucking services, and many more. There are, too, organizations dedicated to other pursuits. These charitable organizations can be found all over the city.

Whether its food drives, soup kitchens, or car donations, these organizations are dedicated to help alleviate the plight of people who are less fortunate. Many businesses and individuals donate their time, money, or possessions to these organizations to help out. Like the song from the smash hit Broadway musical Avenue Q says, â€œWhen you help others, you canâ€™t help helping yourself.â€• In th case, you can help yourself by getting a tax reduction.

Donating to a charity is considered win-win by many businesses and local residents. If you donate to a 501(c)(3) charity, you will be provided with a tax receipt which could be used to claim tax credits. It doesnâ€™t necessarily even have to be monetary deductions because there are many charities in Minnesota that take other forms of donations.

For instance, there are some Minneapolis charities that accept car donations. If you have a totaled car lying around, they could take it out of your hands and sell its working parts as opposed to you simply selling it to a junk yard. However, donating a working vehicle usually gets a bigger deduction. Recyclable car donations usually donâ€™t exceed $500. These cars are sold in car lots and priced according to the fair market value. Finally, to get the deduction, you have to work closely with your accountant.

Donations Minneapolis residents give, whether its car or monetary, need to be itemized on their personal income tax return. All taxpayers get an automatic deduction though itemizing can benefit you if you exceed those deductions. To make it easier, be sure to keep an organized record of all the charities you donated to.

Donating to a charity is an excellent strategy that most businesses and individuals employ to lessen taxes while helping for a good cause. If you would like to learn more about how your charitable donations can reduce tax liabilities, you can visit taxes.about.com/od/deductionscredits/a/CharityDonation.htm or the official website of the Internal Revenue Service at irs.gov. If you would like to learn more about Minneapolis charities, you can visit charity-charities.org/charities/MN/Minneapolis.html. If you are interested to learn more about car donations, you can find information on donate-car-to-charity.net/about.

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