To take a deduction for a charitable contribution of your horse:

- Make sure the organization is a nonprofit charity qualified under the Internal Revenue Service (IRS) Code 501(c)(3) -- exempt from taxation because its income derives from its education, religious, charitable or humanitarian purpose. If you're unsure about a nonprofit's program status, ask to see its "statement of purpose" and "IRS exemption certificate." You can also contact the IRS for a listing of qualified 501(c)(3)s.

- Establish your horse's reasonable worth or fair market value (FMV) at the time of the gift. If you believe he's worth more than $5000, you must have an appraisal done by a "qualified equine appraiser," including a description of your horse, the date of the gift, the date of the appraisal, terms of any agreement about the use of the horse, the appraiser's identity and qualifications, the method used to determine the horse's value and a statement that the appraisal was prepared for income-tax purposes. Even if you don't think he's worth that much, there are advantages to having in your records a letter of valuation from a knowledgeable horse professional, such as a trainer.

- Do the paperwork at the time of the gift. (The IRS loves contemporaneous records -- and if appropriate forms do not accompany the tax return upon which your charitable contribution deduction is taken, your deduction may be disallowed.) Here's what you need:

  1. For a horse valued at less than $250, a receipt from the charity showing its name and address, the date and place of the contribution, a description of the horse, its FMV and how it was determined and the terms of the agreement or understanding relating to his use and disposition.

  2. For a horse valued at more than $250 but less than $500, all of the above, plus a statement declaring whether or not you have received anything of value from the charity in exchange for the gift.

  3. For a horse valued at more than $500, all of the above plus Section A of the IRS Form 8283, detailing how and when you acquired him and his purchase price at the time.

  4. For a horse valued at more than $5000, all of the above plus Section B of IRS Form 8283 and a "qualified appraisal" made no earlier than 60 days prior to the gift and no later than the due date of the tax return.