

# Artist's charitable contribution subtraction



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[www.oregon.gov/DOR](http://www.oregon.gov/DOR)

Oregon allows a subtraction to artists who contribute their own works of art to a recognized charitable organization or governmental unit.

## What qualifies as a "work of art?"

The art object must qualify for the deduction allowed by IRC Sec. 170. It must be a painting, sculpture, photograph, graphic or craft art, industrial design, costume or fashion design, tape or sound recording, or film.

The charitable organization is not required to use the art for the same purpose or function that qualifies it for its federal tax exemption. You may deduct your charitable contribution even if the charitable organization sells the art.

## How to calculate the subtraction

The subtraction is equal to the difference between:

1. The amount that would have been allowed as an itemized deduction if you could deduct the fair market value (FMV) of the art (subject to the federal contribution limit), and
2. The actual allowable amount as an itemized deduction under federal tax law.

## Further qualifications

You must itemize deductions on your Oregon return to claim this subtraction. Federal law limits charitable contributions. Contributions to some organizations are limited to 50 percent of your adjusted gross income (AGI). Contributions to others are limited to 30 percent of your AGI. (Use these limits when you figure your deduction.)

You will need the appraisal report (required by the IRS) showing the FMV of the art at the time of the

contribution. (Keep a copy of the appraisal report with your permanent tax records.)

**Example:** Ronda's AGI is \$10,000. She donated one of her paintings to an organization for display in a building. The painting has a basis (cost) of \$300 and a FMV of \$6,000. Here is how she computes her subtraction:

1. Amount allowed as a charitable contribution if computed using FMV.	\$ 6,000	
Limited to 50% of AGI	5,000	\$ 5,000
2. Amount allowed as a charitable contribution on federal Schedule A (basis)		<u>(300)</u>
3. Ronda's subtraction (line 1 minus 2)		<u>\$4,700</u>

**Part-year residents and nonresidents.** Follow the same rules as a full-year resident. You do not have to prorate this subtraction.

## Taxpayer assistance

**General tax information** ..... [www.oregon.gov/DOR](http://www.oregon.gov/DOR)  
Salem ..... 503-378-4988  
Toll-free from an Oregon prefix ..... 1-800-356-4222

**Asistencia en español:**  
Salem ..... 503-378-4988  
Gratis de prefijo de Oregon ..... 1-800-356-4222

**TTY (hearing or speech impaired; machine only):**  
Salem ..... 503-945-8617  
Toll-free from an Oregon prefix ..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.