

## Andrea Gyger

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**From:** Steve Sumner <executive.director@evergreenarts.org>  
**Sent:** Monday, October 22, 2012 4:19 PM  
**To:** SoS Rulemaking  
**Cc:** ColoSecofState@public.govdelivery.com; [REDACTED]  
**Subject:** Artist's donations to charitable events

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Dear Secretary Gessler,

In reference to the Charitable Solicitation Rules hearing on October 25, this issue just came up in a meeting of local artists and I offered to send it to you as a suggested rules change. I may be way out in left field on this, but I thought I would send it to you on behalf of Evergreen's Arts and Cultural Alliance of which the Center for the Arts Evergreen is the lead organization.

As you probably know, according to IRS rules for Charitable Contributions artist who donate a work of their own art are only allowed to deduct the cost of materials as a charitable deduction. A painting or sculpture that might have a market value of \$1,000 for example, might only have a materials cost of \$20 to \$50 dollars plus the cost of the frame or stand. That is all the artist can deduct. They cannot deduct their hours of labor or their creative expression and individual style (intellectual property rights). However, if an individual buys a work of art, at a fair market or appraised value, and gives that work of art to a charitable organizations, they can declare the today purchase price of that work of art.

Colorado is fortunate to have many talented artists across the state. We are constantly being asked to donate works of art (or creative labor) to charity fund raisers. Many organizations depend on art for their silent auctions, live auctions, raffles, sales, prizes, etc. Very often these works of art go for a market value or more. Yet again, the artist him or her, can only deduct a very small percentage of that work of art. The same goes for musicians who are asked to donate time to perform, act, dance or other forms of entertainment.

I would like to propose that an artist who donates a work of art (or their creative endeavor) to a charitable fund raiser be allowed to deduct the full amount of the market or appraised value of that work of art or their specialized talent. It is very easy for an artist to prove market value, e.g. a gallery sales slip, a gallery appraisal, a gallery catalog, previous sales, or like real estate, comparable sales. Performing artists can do the same I am sure. Perhaps up to a reasonable amount e.g. \$500 or \$1,000 or more, there should be no proof of value, just the artist's word, and that after an established ceiling, proof of value might be needed.

This would be a fair and equitable deduction for artists and I am sure arrangements can be made for entertainers and musicians who donate their skills which have a fair market value, or any other professional we consider in the "creative industries".

Unfortunately I have a previously scheduled meeting on the morning of October 25 that I cannot reschedule, otherwise I would be at your hearing. If it is already too late to have an ruling of this type considered please let me know what it would take to pursue such an amendment in the future. If there are others who are pursuing this train of thought, I would like to know who they are and join forces with them.

Respectfully submitted and with best wishes and thanks to you and all of our finest Colorado Civil Servants,

Steve Sumner

***Steve Sumner***

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