

SB 119 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 2/8, 3/3

WHAT THE MEASURE DOES:

Eliminates requirement that taxpayer-creator submit with their tax return, an appraisal report showing the fair market value of the art object being subtracted from taxable income. Applies to tax years beginning on or after January 1, 2022.

ISSUES DISCUSSED:

- Applies to all applicable tax returns whether filed electronically or by paper
- Donated artwork is required to be professionally appraised
- Potential value threshold at which tax administrative concern may arise regarding appraised value of donated artwork.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon allows artists making a charitable contribution of an art object to subtract from taxable income, the value of the art object. The artist is required to obtain an appraisal report showing the fair market value of the art object at the time the contribution was made. The appraisal report is required to accompany the artist's tax return. Measure eliminates the requirement of the artist to submit the appraisal report with their tax return. However, the artist is still required to obtain such an appraisal report and may be required to provide such report in event of tax compliance enforcement by Department of Revenue.