

Senate Bill 119

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires taxpayer-creator to obtain appraisal report to substantiate fair market value of art object for purpose of subtraction allowed for donation of art object. Eliminates requirement that taxpayer-creator submit appraisal report with tax return.

Applies to tax years beginning on or after January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to charitable contributions of art objects; creating new provisions; amending ORS 316.838;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 316.838 is amended to read:

6 316.838. (1) **As used in this section, "art object" means a painting, sculpture, photograph,**
7 **graphic or craft art, industrial design, costume or fashion design, tape or sound recording**
8 **or film.**

9 (2) *[If]* **A subtraction from federal taxable income is allowed for a charitable contribution**
10 **of an art object, if the art object** has not been previously sold or otherwise transferred by its
11 creator and the creator makes a charitable contribution of the art object that qualifies for the de-
12 duction allowed by section 170 of the Internal Revenue Code for the *[taxable]* **tax** year.

13 (3) **The subtraction under this section shall equal**, *there shall be subtracted from federal*
14 *taxable income*] any positive amount obtained by subtracting[:]

15 *[(a)]* the amount otherwise deductible on the Oregon tax return of the taxpayer-creator for the
16 *[taxable]* **tax** year as charitable contributions from

17 *[(b)]* the amount that would have been deductible by the taxpayer-creator if the deduction for
18 charitable contributions had been computed without reduction in amount under section 170 (e) of the
19 Internal Revenue Code for the art object charitably contributed by its creator.

20 *[(2) As used in this section, "art object" means a painting, sculpture, photograph, graphic or craft*
21 *art, industrial design, costume or fashion design, tape or sound recording or film.]*

22 *[(3)]* (4) *[No]* **The taxpayer-creator is not allowed a** *[additional]* subtraction *[shall be allowed*
23 *to the taxpayer-creator]* under this section unless the *[tax return is accompanied by a copy of]*
24 **taxpayer-creator obtains** an appraisal report showing the fair market value of the art object at the
25 time the contribution was made.

26 **SECTION 2.** **The amendments to ORS 316.838 by section 1 of this 2021 Act apply to tax**
27 **years beginning on or after January 1, 2022.**

28 **SECTION 3.** **This 2021 Act takes effect on the 91st day after the date on which the 2021**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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