



Artists and Writers of East Hampton
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Dear (),

AWEH would like to bring to your attention an important concern for artists.

When artists contribute work to a charitable fundraiser, the tax code only allows the artist to deduct the cost of materials to produce the work which is only a few dollars.

However, were a collector to donate the same work of art to a charitable institution, he/she is entitled to deduct its full market value on his/her income tax return. When an art dealer sells an artist's work, usually at 50% commission, the artist pays income tax on his share of earnings for the sale. Under these circumstances a work of art is a product sold in the market place like any other commodity. This is how artists make a living.

For this reason, the AWEH hopes charitable institutions and organizations will take this into account when asking an artist to contribute artwork for sale, i.e., that the same relationship of artist/gallery applies to the artist/charitable institution. The artist then has the option to donate his/her share of the sale as a deductible contribution to the charitable organization or to pay tax on the amount as earned income.

We trust this will not be interpreted as artists not wishing to participate in charitable fundraisers for that is not its intention. Indeed, it may encourage more artists, especially those whose work commands substantial prices. By working together we can continue to foster and promote the arts on the East End.

We welcome your feedback and ideas. Please feel free to discuss this via email or telephone.

Best regards,

Richard MacDonald,
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