



Consider your potential charitable deduction before donating artwork

If you give artwork to charity, the deduction you can claim depends on several factors, including the type of organization receiving the piece and how it will be used. Special substantiation and appraisal rules may apply as well.

Relation to charitable function

Your deduction for a donation of art will generally be reduced if the charity's use of the work is unrelated to the purpose or function that's the basis for its qualification as a tax-exempt organization. The reduction equals the amount of capital gain you would have realized had you sold the artwork instead of giving it to charity.

For example, let's say you bought a painting a decade or so ago for \$6,000 and now it's worth \$10,000. You contribute it to a dog and cat rescue organization to auction off at its annual fundraiser. Your deduction is limited to \$6,000 because the organization's use of the painting is unrelated to its charitable function and you would have had a \$4,000 long-term capital gain had you sold it.

But what if you donate the painting to an art museum for its collection? In this case, your deduction could potentially be the full \$10,000.

Other limitations

Your current-year deduction generally will be limited to 20%, 30% or 50% of your adjusted gross income (AGI). The percentage varies depending on the type of organization and whether the deduction had to be reduced because of the unrelated-use rule explained above. The amount not deductible because of a ceiling may be deductible in a later year under carryover rules.

Beginning in 2026, another limitation applies to charitable contribution deductions. Under the new rule, individuals generally may deduct charitable contributions only to the extent their total donations for the year exceed 0.5% of AGI. The rule can reduce the tax benefit of charitable gifts for taxpayers at all income levels, though the dollar impact will be larger for higher-income taxpayers.

Documentation and appraisals

There are substantiation rules when you donate a work of art. First, if you claim a deduction of less than \$250, you must get and keep a receipt from the charity or, if impractical to get a receipt, keep a reliable written record for each item you contributed.

If you claim a deduction of at least \$250, but not more than \$500, you must get and keep an acknowledgment of your contribution from the charity. The acknowledgment must state whether the organization gave you any goods or services in return for your contribution and include a description and good-faith estimate of the value.

If you claim a deduction of more than \$500, but not over \$5,000, in addition to getting an acknowledgment, you must maintain written records that include information about how and when you obtained the artwork and its cost basis. You must also complete IRS Form 8283, "Noncash Charitable Contributions," and attach it to your tax return.

If the claimed value of the artwork exceeds \$5,000, in addition to an acknowledgment and completing Form 8283, you must have an appraisal of the piece. This appraisal must be done by a qualified appraiser no more than 60 days before the contribution date and meet other requirements. You then include this information on Form 8283.

If your total deduction is \$20,000 or more, you must also attach a copy of the signed appraisal. The IRS may request that you provide a photograph. If an item has been appraised at \$50,000 or more, you can ask the IRS to issue a "Statement of Value," which can be used to substantiate the value.

Avoid the unexpected

If you're considering donating artwork or other valuable property, contact us before making the gift. We can help you calculate your deduction, document the donation properly and avoid unexpected tax issues.

© 2026