

How to sell, gift and bequeath cherished artwork

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If Christie's won't take it, there's always eBay.

For those who have artwork, be it a single piece or a collection, there comes a time when it is important to make decisions as to its disposition.

Should the artwork be gifted to your spouse, family members or even friends?

Should the collection or individual pieces be sold?

Should the collection or individual pieces be gifted to a museum or a nonprofit, a college or a charity?

This article will provide insights, suggestions and links to where information can be found to help with these choices as well as list some of the challenges that each of these decisions could create for both giver and receiver. There are many considerations but it is important to create a plan of action as those that wait to do so often find the time it takes to complete all aspects of this plan are much greater than anticipated. Regardless of which path or paths you wish to take, as a first step it is necessary to create an inventory of what you own using a qualified appraiser

If you have artwork of value, Joel Straus, qualified [appraiser and art adviser](#) who has helped many individuals and guided estates in their disposition of artwork suggests you review these three areas before selling, donating or giving:

- Catalog or make an inventory of what you own using an expert appraiser familiar with your specific artwork.
- Talk with your estate planner or financial adviser and include the appraiser in this conversation to make decisions as to the disposition of your art (gifting, selling, donating, etc.).

- Go over the timing and location of any sale as it should be based on art market conditions (with specific reference to the particular artist) as determined by your art adviser. The timing of any donation should be evaluated with respect to its tax implication.

Appraisals

Identifying a knowledgeable and trustworthy appraiser

Each of the major associations has a search engine to assist you find an appraiser by ZIP Code and by discipline: [Appraisers Association of America](#), [American Society of Appraisers](#) and [International Society of Appraisers](#).

If your artwork isn't of sufficient value to hire an appraiser consider going to a local auction house. Auction house information and links are included later in this article.

Information you will need to get an opinion of value

- A high quality color photograph of the front and back with a detailed photo of the signature and any labels.
- The title, date, size (height and width), media and edition number if it is not a unique work.
- The history including dates of ownership and where the artwork has been exhibited.

If an auction house takes items for auction it is common practice to set a minimum amount that the items will sell for so you need to have an approximate idea of value before your approaching an auction house.. Auction houses typically take a commission from both the seller and the buyer which depends on the sales price of the item(s). This commission is often negotiable.

Selling

Once you have a catalog or list including information as to value, how do you go about identifying purchasers?

Consigning artwork to a gallery.

Reputable galleries typically will only take artwork on consignment if they regularly deal with the particular artists' works. Be aware that gallery commissions are often negotiable. Also be aware that if you consign your art to a gallery and the gallery goes out of business your consigned art isn't secure. Your art isn't "secured" unless you file a UCC-1 (Uniform Commercial Code-Form 1) with a state agency which is a public declaration that you are a secured creditor.

Auction

Artwork depending on value, can be sold via auctioneers, such as [Phillips](#), [Christie's](#) and [Sotheby's](#). For a local auction house, Google "auction house near me" or "fine art auctions" or check in your local phone directory to see if there's a small local auction house nearby. Art of lesser value [can be sold on eBay](#).

When you sell artwork you must have information as to the original purchase price and pay tax on the difference between the sales price and your purchase price. Your accounting firm should be able to minimize your tax so consulting with them is important before consummating a sale.

Legacy planning

Understand that legacy planning applies during your lifetime as well as after death and must be treated differently depending on your wishes.

There are considerations involving gifting art to your spouse, family and friends. First it is a good idea to find out ahead of time if they wish to receive it. It is also important to know the value of the art you plan to gift

If you wish to make individual bequests before your death, it's important as far as gifting is concerned to make sure the value of your gift doesn't exceed \$14,000 in any calendar year for tax purposes. Remember that there is an annual \$14,000 exclusion for gifting without tax. This applies to art as well as cash, jewelry, personal property and investments.

Your attorney and or accountant can best advise you on how to handle these matters particularly if your artwork has substantial value. Making sure you have clearly indicated your preferences in writing will solve problems that might exist in the future among family, heirs and friends who may have expectations that differ from your wishes. For each artwork, it's important to list its location.

Gifts to family or friends

Here you also need to have an idea as to the value of the art you plan to give. This will enable you to better plan on naming beneficiaries. Actual naming should be done in a document prepared with your attorney. There are tax reasons why you might consider gifting items and not including them in your will.

Gifts to museums and nonprofits

There is a big difference between gifting to a museum and gifting to a charity or nonprofit. Most museums won't accept art that doesn't "fit into their collection" regardless of its value. Nonprofits will generally accept any art of value often with the intent of selling it to create funds.

When you give to a museum you get a total deduction as determined by the IRS. The percentage amount of deduction for a gift to a nonprofit is determined by the amount you received from its sale.

For more in depth information on this topic, visit the "[Selling, Gifting Artwork & Legacy Planning](#)" page on my website, RetiredBrains.com.

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