

**SUBTRACTION FOR CONTRIBUTION OF ARTWORK**

**Attach to your tax return**

Your first name and initial	Last name	Social security number	
Spouse's first name and initial	Last name	Social security number	
Present address (No. and street)	City or town	State	Zip code

Check Return Filed:  502 Resident  505 Nonresident

**PART A – Qualification of Taxpayer**

Current Year	Prior Year
1. 20___ federal adjusted gross income plus Maryland additions .....	4. _____ federal adjusted gross income plus Maryland additions .....
2. Enter 50% of line 1 .....	5. Enter 50% of line 4 .....
3. 20___ gross income from the sale of artwork produced by the taxpayer ..	6. _____ gross income from the sale of artwork produced by the taxpayer.

**If line 2 exceeds line 3 and line 5 exceeds line 6, you do not qualify for this subtraction.**

**PART B – Certification of Museum**

Name of museum	Address of museum
----------------	-------------------

7. Is the museum located in the state of Maryland? .....  Yes  No  
 8. Is the museum open to the general public? .....  Yes  No  
 9. Has the museum accepted the donated artwork? If yes, attach a certificate of acceptance from the museum.  Yes  No

**If the answer to any of these questions is no, you do not qualify for this subtraction.**

**PART C – Amount of Subtraction**

**If you have completed Parts A and B above and are eligible to claim this subtraction, compute the amount of your subtraction below.**

10. Enter the fair market value of the artwork. (Attach certified appraisal.) .....		
11. Enter any portion of the fair market value of the artwork contained in your federal or state itemized deductions .....		
12. Subtract line 11 from line 10 .....		
13. Enter the amount from line 2 above .....		
14. Enter the lesser of line 12 or line 13 .....		

**Your subtraction for the contribution of an artwork is the amount on line 14. Include this amount on the line for “Other subtractions” on Form 502 or Form 505 and enter the appropriate code letter.**

# Instructions for Filing Form 502AC SUBTRACTION FOR CONTRIBUTION OF ARTWORK

---

## GENERAL INSTRUCTIONS

### Who May File

A subtraction for a contribution of artwork may be made by qualifying persons who have donated their own artwork(s) to a Maryland museum.

### Qualifying Guidelines

To qualify for the subtraction, you must derive at least 50% of your income in the current or prior year from the sale of your own artwork.

The museum that accepts your donation must be located in Maryland and open to the general public.

### Required Attachments

You must attach to your Maryland return a completed Form 502AC, verification by an independent appraiser of the fair market value of the artwork, and written acceptance from the museum.

### Taxpayers Filing Joint Maryland Returns

This subtraction can only be used to reduce the taxable income of the qualifying taxpayer. If the federal adjusted gross income, plus Maryland additions, includes any income received by the spouse of the contributing artist, the spouse's income must be subtracted from the figures entered on line 1 and line 4 of Form 502AC. Attach a schedule showing the modification.

## SPECIFIC INSTRUCTIONS

### PART A

**Line 1** – Enter your current year federal adjusted gross income plus Maryland additions or as modified when a joint Maryland return has been filed.

**Line 2** – Multiply line 1 by 50% (.50) and enter the result.

**Line 3** – Enter your current year gross income from the sale of your own artwork.

*Note: If line 2 is less than line 3, go to Part B. If not, complete lines 4 through 6.*

**Line 4** – Enter your federal adjusted gross income plus Maryland additions in the immediately prior tax year or as modified when a joint Maryland return has been filed.

**Line 5** – Multiply line 4 by 50% (.50) and enter the result here.

**Line 6** – Enter your gross income in the prior year from the sale of your own artwork.

*Note: If line 5 is greater than line 6 and line 2 is greater than line 3, you do not qualify for this subtraction.*

### PART B

Enter the name and address of the museum which has received your artwork and answer questions 7, 8 and 9. If the answer to any of these questions is no, you may not claim this subtraction.

### PART C

**Line 10** – Enter the fair market value of the artwork from the appraisal.

**Line 11** – You must reduce the value of the artwork by any amounts which are deductible from federal adjusted gross income. If your federal or state itemized deductions contain any amounts which are attributable to the donated artwork, enter those amounts on this line.

**Line 12** – Subtract line 11 from line 10 and enter the result here.

**Line 13** – The subtraction may not exceed 50% of your gross income in the calendar year of the donation. You have computed this maximum in Part A, line 2. Enter that amount on this line.

**Line 14** – Enter the lesser of line 12 or line 13 here. This is your subtraction for the contribution of artwork. Include this amount on the line for "Other subtractions" on Form 502 or Form 505 and enter the appropriate code letter.