

## 2024 Current Fiscal Year Report: Art Advisory Panel of the Commissioner of Internal Revenue

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### 1. Department or Agency

Department of the Treasury

### 2. Fiscal Year

2024

### 3. Committee or Subcommittee

Art Advisory Panel of the Commissioner of Internal Revenue

### 3b. GSA

### Committee No.

1254

### 4. Is this New During Fiscal Year?

No

### 5. Current Charter

01/26/2022 01/26/2024

### 6. Expected Renewal Date

### 7. Expected Term Date

### 8a. Was Terminated During Fiscal Year?

No

### 8b. Specific Termination Authority

### 8c. Actual Term Date

### 9. Agency Recommendation for Next Fiscal Year

Continue

### 10a. Legislation Req to Terminate?

No

### 10b. Legislation Pending?

Not Applicable

### 11. Establishment Authority

Agency Authority

### 12. Specific Establishment Authority

AGEN

### 13. Effective Date

11/24/1967

### 14. Committee Type

Continuing

### 14c. Presidential?

No

### 15. Description of Committee

### 16a. Total Number of Reports

No Reports for this Fiscal Year

### 17a. Open

0

### 17b. Closed

0

### 17c. Partially Closed

0

### Other Activities

0

### 17d. Total

0

### Meetings and Dates

No Meetings

Current Next  
FY FY

<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$0.00	\$0.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$0.00	\$0.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$0.00	\$0.00
<b>18d. Total</b>	\$0.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	0.00	0.00

**20a. How does the Committee accomplish its purpose?**

The Art Advisory Panel is the focal point of the Service's art valuation activity. The Panel provides advisory recommendations which assist the IRS in evaluating the acceptability of personal property appraisals submitted by taxpayers in support of fair market value claims on works of art reported on Federal income, estate, and gift tax returns in accordance with the Internal Revenue Code. IRM 4.48.2 requires that all taxpayer cases selected for audit that contain artwork with a claimed value of \$50,000 or more per item be referred to Art Appraisal Services (AAS) for review, whose staff determines referrals to the Art Panel. The Panel meets to review the valuations on these individual artworks submitted. AAS does not reveal the tax

consequences, taxpayer's identity, or appraiser to ensure the Panel's objectivity. At the meetings, the Panel members are provided with information from the taxpayer's appraisal and any other supporting evidence AAS has developed. The Panel's recommendations are then reviewed by AAS staff. The recommendations are then associated with the staff's findings to determine a final IRS valuation. AAS develops and provides a report for both the referring employee and the taxpayer outlining the research, stating the Panel was consulted, to enhance their understanding of the valuation determination. Since the Panel reviews tax return information, specifics cannot be provided due to disclosure restrictions. However, a summary of the Panel's recommendations is published annually.

**20b. How does the Committee balance its membership?**

Members of the Art Advisory Panel are chosen for their expertise in specific art areas based upon their experience or scholarship. They are also chosen for their reputation and recognition in the art world, and are usually prominent art dealers or directors and curators from the top museums in the country with experience in the valuation of high end art. The Panel is balanced to provide varied points of view. A balance of memberships is sought in numerous areas: specific art areas (for example, American, Contemporary, Old Masters, Impressionist and Modern, prints, etc.); market experience; points of view; public and private sector; and geography, for example. Since the Panel's purpose is to provide recommendations of the fair market value of specific art objects optimal representation of and experience in divergent seller and buyer perspectives is sought. Consideration is also given

to geographic balance, and representation by women and minorities.

**20c. How frequent and relevant are the Committee Meetings?**

The Art Panel's meetings are of paramount importance and very relevant, since it is at these meetings that they review and discuss the values of works of art reported on federal tax returns. The Panel usually has two meetings annually. The items reviewed depend on what area offices have submitted since the last meeting. The Art Advisory Panel has been in existence since 1968 and has proven to be an effective and efficient system to monitor the area of art valuation claims.

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The Art Advisory Panel is critical for effective tax administration since the area of art valuation is particularly specialized and potentially subject to abuse. The excellent reputation and credibility the Service enjoys in this difficult area is a direct result of the Art Advisory Panel's contributions. Its membership is comprised of highly respected members of the art community. As noted previously the Panel is the focal point of most servicewide art valuation activity. IRS field offices must refer all income, estate and gift tax cases which involve claimed values of \$50,000 or more to Art Appraisal Services for presentation to the Panel in the appropriate specialty areas. The Art Panel is an effective and cost efficient method of dealing with this area. The Panelists receive no compensation other than travel and per diem. Today, no Service personnel have the range of technical expertise represented on the Art Panel; it would be difficult and cost-prohibitive for the Service to recruit individuals of such expertise on

a permanent basis. The alternative of using independent contract appraisers would also be more costly and would not have the same credibility in the art community. To assemble a group of similar expertise and prestige through normal government contracting procedures would also be impossible because art museum personnel are prohibited from making outside appraisals; most distinguished art dealers are members of dealers' associations which prohibit appraisals outside their association; and major auction houses cannot appraise outside their firms. Assuming some type of group could be assembled the direct costs would be exorbitant. Indirect costs would also be material, such as those incurred through additional unagreed cases resulting from the reduced prestige of an alternative Panel in the eyes of the art community.

**20e. Why is it necessary to close and/or partially closed committee meetings?**

All meetings held by this committee deal with matters listed in section 552b(c)(3), (4), (6) and (7) of Title 5 of the United States Code.

**21. Remarks**

N/A

**Designated Federal Officer**

Robin B. Lawhorn Appeals Director, Area 10

Committee Members	Start	End	Occupation	Member Designation
Barron, Stephanie	09/30/2023	09/30/2025	Los Angeles County Museum of Art	Special Government Employee (SGE) Member
Butterfield, Andrew	09/30/2023	09/30/2025	Andrew Butterfield Fine Arts, LLC	Special Government Employee (SGE) Member

Conover, Carol	09/30/2023	09/30/2025	Kaikodo, LLC	Special Government Employee (SGE) Member
Dalva, Leon	09/30/2023	09/30/2025	Dalva Brothers, Inc.	Special Government Employee (SGE) Member
Duncan, Alice	09/30/2023	09/30/2025	Director, Gerald Peters Gallery, NY	Special Government Employee (SGE) Member
Dunne, Susan	09/30/2023	09/30/2025	Senior Director, David Zwirner	Special Government Employee (SGE) Member
Findlay, Michael	09/30/2023	09/30/2025	Director, Aquavella Galleries, NY	Special Government Employee (SGE) Member
Henry, Steven	09/30/2023	09/30/2025	Paula Cooper Gallery	Special Government Employee (SGE) Member
Jobe, Brock	09/30/2023	09/30/2025	Winterthur, DE	Special Government Employee (SGE) Member
Jussel, Christian	09/30/2023	09/30/2025	Art Adviser	Special Government Employee (SGE) Member
Lally, Jim	09/30/2023	09/30/2025	J.J. Lally & Co	Special Government Employee (SGE) Member
Mathes, Barbara	09/30/2023	09/30/2025	Barbara Mathes Gallery, NY	Special Government Employee (SGE) Member
Nichols, Lawrence	09/30/2023	09/30/2025	Curator, Toledo Museum of Art	Special Government Employee (SGE) Member
Rehs, Howard	09/30/2023	09/30/2025	Rehs Galleries, NY	Special Government Employee (SGE) Member
Robison, Andrew	09/30/2023	09/30/2025	Senior Curator	Special Government Employee (SGE) Member
Stern, Louis	09/30/2023	09/30/2025	Louis Stern Fine Arts, CA	Special Government Employee (SGE) Member

Tunick,  
David

09/30/2023 09/30/2025

David Tunick,  
Inc. NY

Special  
Government  
Employee (SGE)  
Member

**Number of Committee Members Listed: 17**

### **Narrative Description**

The Art Advisory Panel provides advisory recommendations to the Service which assist in the review of Service-selected cases involving taxpayer valuations of fine and decorative arts. The Art Advisory Panel provides an essential service and is an extremely cost-effective vehicle in IRS's efforts to deal with an area susceptible to abuse.

### **What are the most significant program outcomes associated with this committee?**

Checked if  
Applies

- |   |                                     |
|---|-------------------------------------|
| Improvements to health or safety                  | <input type="checkbox"/>            |
| Trust in government                               | <input checked="" type="checkbox"/> |
| Major policy changes                              | <input type="checkbox"/>            |
| Advance in scientific research                    | <input type="checkbox"/>            |
| Effective grant making                            | <input type="checkbox"/>            |
| Improved service delivery                         | <input checked="" type="checkbox"/> |
| Increased customer satisfaction                   | <input checked="" type="checkbox"/> |
| Implementation of laws or regulatory requirements | <input checked="" type="checkbox"/> |
| Other   | <input type="checkbox"/>            |

### **Outcome Comments**

Not Applicable

### **What are the cost savings associated with this committee?**

Checked if Applies

- |                       |                          |
|-----------------------|--------------------------|
| None                  | <input type="checkbox"/> |
| Unable to Determine   | <input type="checkbox"/> |
| Under \$100,000       | <input type="checkbox"/> |
| \$100,000 - \$500,000 | <input type="checkbox"/> |

\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>
\$5,000,001 - \$10,000,000	<input type="checkbox"/>
Over \$10,000,000	<input type="checkbox"/>
Cost Savings Other	<input type="checkbox"/>

### **Cost Savings Comments**

The data provided is based upon the life of the committee.

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

3,785

### **Number of Recommendations Comments**

The total above represents the number of items on which the Panel has made recommendations since tracking them by fiscal year (FY) in FY 2011.

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

74%

### **% of Recommendations Fully Implemented Comments**

The recommendations of the Art Advisory Panel are reviewed and incorporated into final IRS valuations by Art Appraisal Services. This represents the average percentage of Panel recommendations fully implemented since tracking them by fiscal year (FY) in FY 2011.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

26%

### **% of Recommendations Partially Implemented Comments**

This represents the average percentage of Panel recommendations partially implemented since tracking them by fiscal year (FY) in FY 2011.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐



### Agency Feedback Comments

To monitor the disposition of cases reviewed by the Art Advisory Panel a response form tracking the outcome is included with each case recommendation. In addition, there are general follow-up discussions at the meetings.

### What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input checked="" type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input type="checkbox"/>

### Action Comments

Not Applicable

### Is the Committee engaged in the review of applications for grants?

No

### Grant Review Comments

NA

### How is access provided to the information for the Committee's documentation?

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

### Access Comments

N/A