



Special Notice

New Sales and Use Tax Exemption: Public Art

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Taxpayers' Rights

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Information Center

800-400-7115
TTD/TTY: 800-735-2929

Original works of art purchased under certain circumstances may be exempt from sales and use tax. California Revenue and Taxation Code, section 6365, *Art Works*, has been amended to provide the following as of January 1, 2007.

- An exemption from the sales or use tax for original works of art leased from one nonprofit organization to another nonprofit organization for 35 years or more.
- An expansion of the definition of works of art to include costumes, dress, clothing and personal adornment.

"Work of Art" defined

For purposes of RTC 6365, a work of art includes a work of visual art, including, but not limited to: a drawing, painting, mural, fresco, sculpture, mosaic, film, photograph, calligraphy, graphic art (etching, lithograph, offset print, silk screen), crafts (clay, textile, fiber, wood, metal, plastic, glass), costume, dress, clothing, personal adornment, jewelry or mixed media (collage, assemblage).

Who may use the leased art exemption?

The exemption for leases of original works of art applies when both the lessee and the lessor are nonprofit organizations:

- Operating a public museum for the state or for any city, county or other local governmental entity, or
- Qualified for exemption from income tax under Revenue and Taxation Code, section 23701d for one or more museums that are open to the public at least:
 - 20 hours per week and
 - 35 weeks per calendar year.

The museum(s) may be operated by another nonprofit organization which has qualified under Section 23701d.

For more information

Information concerning sales tax applications for nonprofit organizations can be found on our website at www.boe.ca.gov. If you have any questions regarding this notice, please call our Information Center at 800-400-7115 (TDD/TTY 800-735-2929). Staff are available from 8:00 a.m. to 5:00 p.m., Pacific time, Monday through Friday, except state holidays.