

Gifts of art to the nation

20 SEPTEMBER 2011

Tomorrow is the last day for responding to the Government's consultation paper on the new scheme for tax incentives for giving art to the nation. <http://tinyurl.com/6b56c63>

The idea was first raised in the March 2011 budget. The rationale, according to Jeremy Hunt, Secretary of State for Culture, Media and Sport, is that (and I paraphrase the Treasury press release) "With art being so expensive to buy for the nation, we would rather encourage philanthropists to give us art, in return for some tax incentive".

Fair enough, but it can't be any old item of art. It must be a "pre-eminent object or work of art". That is likely to include items with an especially close association to our history or national life, that are of artistic or art historical interest and perhaps have an especially close association with a particular historical setting.

It is not yet known what the tax reliefs will be, but they will be capped at only £20m per year, which is for the whole scheme. That cap is to be shared with the existing "acceptance in lieu" (AIL) scheme, which allows assets to be transferred to the Government in place of tax. AIL already accounts for about £12m per year, which does not leave much for the new scheme. It seems that the relief will have to be rather mean or the works not particularly pre-eminent, or there can't be many of them, which makes one wonder if the scheme is going to be worth the effort.