

**MARYLAND
FORM
502AC**

**SUBTRACTION FOR
CONTRIBUTION OF
ARTWORK**
Attach to your tax return.



22502A099

2022

Print Using Blue or Black Ink Only

First name MI Last name Social Security Number

Spouse's first name MI Last name Social Security Number

Street address

City or Town State ZIP code + 4

Check Return Filed: ☐ 502 Resident ☐ 505 Nonresident

PART A – Qualification of Taxpayer

Current Year

1. Federal adjusted gross income plus Maryland additions. **1.** _____
2. Enter 50% of line 1 **2.** _____
3. Gross income from the sale of artwork produced by the taxpayer **3.** _____

Prior Year

4. Federal adjusted gross income plus Maryland additions. **4.** _____
5. Enter 50% of line 4 **5.** _____
6. Gross income from the sale of artwork produced by the taxpayer **6.** _____

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

Number and street

City State ZIP code + 4

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

Your Maryland-only subtraction for the contribution of artwork is the amount on line 14. Include this amount on line m of Form 502SU or line m of Form 505SU.

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

You qualify for this subtraction if:

- 50% or more of your income (for this year or last year) comes from the sale of your own artwork, and,
- A museum located in Maryland that is open to the general public accepts your artwork.

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 only can 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 line m of Form 502SU or line m of Form 505SU.

For more information, visit www.marylandtaxes.gov or email your question to TAXHELP@marylandtaxes.gov. You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.