

McBRIDE CONTEMPORAIN

A Tax Perspective

Purchasing artwork created by Canadian artists qualifies as a Tax Deduction by the Canadian Government . The tax incentives are intended to promote the purchase of Canadian artwork. Buying artwork; paintings, drawings, sculptures, and photographs, qualifies as a tax deduction provided that certain criteria are met.

1. The artwork was created by a Canadian artist.
2. The artwork is exhibited in a place of business.
3. The artwork cost \$200 or more.

If the purchase meets these criteria, the buyer is entitled to a declining deduction of the cost of purchasing the artwork at both the provincial and federal level. The buyer can also recover the taxes paid at the time of purchasing the artwork by claiming GST and QST tax credits.

Accelerated Investment Incentive

The Accelerated Investment Incentive, companies can deduct for tax purposes an amount annually for depreciation normally equal to a 20% declining deduction but with the accelerated investment incentive you can claim a 30% deduction in the first year.

Example: A painting is \$10,000, the amount that can be claimed as a deduction in the first year is \$3000. And the remaining value is a 20% declining deduction.

Rental of artwork

Lastly, if the artwork is rented instead of being purchased, the rental expenses are also tax deductible.

Supporting Local Artists

Support your local artists and enrich the workplace environment with beautiful original art and simultaneously enjoy receiving a Tax Deduction.