



An Equity for Visual Arts Act

by William Powhida

In the fall of 2011, for a brief moment, the art world considered the implications of the Equity for Visual Artists Act. The bill would have created a modest 7% resale royalty with half of the money going to artists and *the other half going into escrow for non-profit art museum acquisitions*. At the time, I looked up the bill on GovTrack.us and saw that it had a 1 percent chance of Congressional approval. Ultimately, on December 15, 2011, the bill died after being referred to committee. This was disappointing because the best thing about the bill was the solution it contained: essentially, a very modest tax (3.5 percent) on art being sold for over \$10,000 (at auction houses earning more than \$25 million a year) to be used by nonprofit art museums for acquisitions.

The idea of using art sales to fund new acquisitions is a great idea. I think it's such a great idea that the very modest tax in the Equity bill should be expanded to all commercial art sales. The global art industry was worth \$64 billion in 2012. In 2011, U.S. auction houses reported \$2.27 billion in sales alone. If there was a modest tax of 5 percent on that figure, the government would net \$113.5 million (compared to the current total NEA budget of \$146 million in 2012). The \$113.5 million figure only reflects auction sales and an art tax on all primary and secondary market sales, might increase that figure substantially. If an art tax *doubled* the NEA operating budget, that would be a wonderful thing for museums. Furthermore, the funds generated by an art tax should be considered for other funding needs such as exhibitions, operations, and education, not just for new acquisitions. I'd prefer to see all nonprofit art museums be free to the public as is the National Gallery in Washington, D.C.

While this modest, intentionally vague proposal for regulation isn't radical, it is actionable within our consumer-oriented democracy. The chance of a Congressional bill making it to the floor of Congress is much more likely than a single Socialist Congress person ever seeing the floor. Lobbying for regulation isn't revolution, but it is an avenue of reform for an unregulated art market. The fact that former Senator Herb Kohl (Democrat-Wisconsin) actually sponsored a bill containing a very modest art tax on the auction market remains surprising. Where did the idea come from? Who lobbied for the bill and how can we as supporters of culture explore this avenue? The important thing about the Equity bill is that it actually had a chance (if only 1 percent) of becoming a law. The funds generated from an art tax could be used to make museums free, fund more exhibitions, or fund greater independence from

trustees and corporate interests. If the art market inhabits the center of the art world, it's one way to make it help pay for the place.

ABOUT THE AUTHOR

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