



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

8.18.1

MAY 14, 2025

## EFFECTIVE DATE

(05-14-2025)

## PURPOSE

- (1) This transmits a complete revision of IRM 8.18.1, Valuation Assistance, Valuation Assistance Procedures.

## MATERIAL CHANGES

- (1) Revised 8.18.1 throughout to replace Wage & Investment (W&I) with Taxpayer Services (TS).

## EFFECT ON OTHER DOCUMENTS

This supersedes IRM 8.18.1 dated 05-28-2021.

## AUDIENCE

Criminal Investigation (CI), Large Business & International (LB&I), Small Business/Self-Employed (SB/SE), Tax Exempt/Government Entities (TE/GE), Taxpayer Services (TS), Chief Counsel (CC), IRS Independent Office of Appeals (Appeals)

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(SEPR)



8.18.1

Valuation Assistance Procedures

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8.18.1.1  
(05-14-2025)  
**Program Scope and  
Objectives**

- (1) **Purpose:** This IRM section describes the process and procedures for working art appraisal referrals. The cases are received from IRS Compliance functions, Independent Office of Appeals (Appeals), and Counsel and are generally assigned to an Art Appraisal Services (AAS) appraiser. This IRM section provides information about the valuation assistance services provided by AAS to determine the fair market value of property. This IRM section explains the processes and procedures used by AAS to employ their art valuation expertise in producing appraisal reports in an accurate and consistent manner.
- (2) **Audience:** Criminal Investigation (CI), Large Business & International (LB&I), Small Business/Self-Employed (SB/SE), Tax Exempt/Government Entities (TE/GE), Taxpayer Services (TS), Chief Counsel (CC), Appeals and AAS art appraisers.
- (3) **Policy Owner:** Specialized Examination Programs and Referrals (SEPR).
- (4) **Program Owner:** Director, Specialized Examination Programs and Referrals (SEPR).
- (5) **Contact Information:** Appeals employees should follow established procedures on *How to Contact an Analyst*. Other employees should contact the Product Content Owner shown on the Product Catalog Information page for this IRM.

8.18.1.1.1  
(05-28-2021)  
**Background**

- (1) This IRM provides art appraisers with specific procedures for providing valuation assistance for personal property and works of art.
- (2) The Specialized Examination Programs & Referrals (SEPR) organization (under Appeals) includes AAS which provides valuation assistance concerning works of art and cultural property. The primary objective of AAS is to support the mission of the IRS by providing professional advice and valuation expertise to the IRS, other Government agencies and taxpayers in connection with valuations of personal property or works of art. AAS also assists the Office of Chief Counsel and the United States Department of Justice (DOJ) with federal tax cases involving valuation issues for trial or pretrial settlement.
- (3) AAS accomplishes its objectives by ensuring its employees act in accord with the Taxpayer Bill of Rights (TBOR) in every interaction with taxpayers. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights, and Pub 5170, Taxpayer Bill of Rights.
- (4) AAS may provide assistance to the following:
  - Appeals Technical Employees (ATEs) and Appeals Team Managers (ATMs)
  - Employees and managers of IRS Compliance functions
  - Criminal Investigation
  - Chief Counsel
  - United States Department of Justice Tax Division (DOJ)
  - Taxpayers and their representatives
- (5) Requesters may contact the AAS Director or Lead Appraiser by telephone and/or e-mail to informally discuss a valuation to determine the type of assistance required and whether a formal referral is needed.

- (6) All referrals made to AAS are required to be submitted via the Specialist Referral System (SRS). See *Specialist Referral System*.

8.18.1.1.2  
(05-28-2021)

**Authority**

- (1) Rev. Proc. 96-15 provides procedures for taxpayers to request a review of art valuation for income, estate and gift tax returns. Taxpayers may obtain a Statement of Value (SOV) from the IRS for an advance review of art valuation claims prior to filing the tax return. The SOV may then be used to complete the taxpayer's return. The procedure generally applies to an item of art that has been appraised at \$50,000 or more. See Rev. Proc. 96-15 and Rev. Proc. 2021-1 for further details.

8.18.1.1.3  
(05-28-2021)

**Responsibilities**

- (1) The SEPR Director is responsible for working a variety of specialized examination workstreams, providing oversight of the Commissioner's Art Advisory Panel (Panel), providing technical and procedural guidance to the field on domestic and international issues as well as providing computational support. See IRM 1.1.7.6, Specialized Examination Programs and Referrals (AP:SPR).
- (2) The AAS Director leads a staff of art appraisers who value art or other objects with a claimed value of \$50,000 or more, managing the Panel process and other responsibilities (see IRM 1.1.7.6.2, Art Appraisal Services (AAS)).

8.18.1.1.4  
(05-28-2021)

**Program Reports**

- (1) Policy, Planning, Quality and Analysis (PPQ&A) provides trend and data analyses, planning expertise, detailed summary reports, and leadership/assistance across the Appeals functions.

8.18.1.1.5  
(05-28-2021)

**Terms and Acronyms**

- (1) See IRM 8.1.1-1 , Common Terms Used in Appeals, for common terms and definitions used in IRM Part 8. Terms listed in this exhibit are not included in this section.
- (2) The table lists commonly used acronyms and their definitions:

Acronym	Definition
AAS	Art Appraisal Services
FMV	Fair Market Value
SRS	Specialist Referral System

8.18.1.1.6  
(05-28-2021)

**Related Resources**

- (1) This section is the primary source of guidance for this program.
- (2) Authors, reviewers and managers can find helpful information on these websites:
- *AAS-Intranet Site*.
  - *AAS-IRS*.
- (3) See IRM 4.25.12.3, Referrals of Artwork to Art Appraisal Services and the Art Advisory Panel.
- (4) See IRM 4.48.2.3, Art Appraisal Services Referral Procedures.

- (5) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see *TBOR*

8.18.1.1.7  
(05-28-2021)  
**Art Valuation Requests  
Overview**

- (1) AAS is available to provide appraisal service on works of art including:
- Paintings
  - Drawings
  - Prints
  - Sculptures
  - Antiques
  - Ceramics
  - Glass
  - Decorative arts
  - Textiles
  - Carpets
  - Silver
  - Rare manuscripts
  - Antiquities
  - Ethnographic art
  - Collectibles
  - Coins
  - Archives
  - Historical memorabilia
- (2) If an IRS employee has a case that involves a taxpayer's appraisal of a single work of art with a claimed value of \$50,000 or more, a referral to AAS for assistance is mandatory (IRM 4.48.2.2, Criteria for Requesting Art Appraisal Services Assistance). Subject to the discretion of AAS, taxpayer valuations may be reviewed with the Commissioner's Art Advisory Panel. The IRS employee who submitted the SRS request via the *Specialist Referral System* must provide the assigned art appraiser with: taxpayer appraisals, images and supporting documents via e-mail or flash drives and hard copies can be sent with Form 3210, Document Transmittal, via UPS Ground.
- (3) AAS is also available to provide assistance in determining the fair market value of many objects of art that have return values of less than \$50,000. For these items, AAS is available to provide telephone assistance. Please submit a consultation request via the *Specialist Referral System*. Prior to contacting AAS, the requester should ascertain the following facts:
- a. Name of artist
  - b. Description of item (title, medium, size, date created, and any distinguishable marks, symbols, or labels)
  - c. Date acquired by taxpayers
  - d. Cost of acquisition
  - e. Valuation date
  - f. Claimed fair market value
- (4) For Appeals cases, AAS will recommend a range of values for settlement purposes, identify strengths and weaknesses in both the government's and taxpayer's expert report or position, and provide any other assistance that will help resolve the valuation issues.

8.18.1.1.7.1  
(05-28-2021)

**Art Valuation Request  
Requirements**

- (1) Requests for valuation assistance on works of art should include a complete description of the item:
  - a. Full name of artist/sculptor/maker, nationality and birth/death dates or alternately the culture, or place of origin,
  - b. Title of work and/or subject matter,
  - c. Date created/execution date or age,
  - d. Medium and ground or support (e.g., oil on canvas, watercolor on paper, etc.),
  - e. Size (cite actual dimensions in inches, the U.S. standard system of measurement), unframed, or weight, if applicable, for objects made from silver, gold, or other precious metals,
  - f. Signature information, marks, distinguishing features, symbols, or labels on the back or front of the object.
- (2) In addition, include the following information and items necessary for determining the fair market value of each object:
  - a. A color copy of the entire original appraisal filed with the return,
  - b. The claimed value for each work,
  - c. The effective valuation date, (i.e. date of taxable event such as date of death, date of gift, date of donation, etc.),
  - d. A professional quality 8 x 10 inch color photograph, or high-resolution digital image of the object (which the donor, donee, appraiser, or executor of the estate may already have),
  - e. Manner of acquisition, cost, and date,
  - f. History (provenance) of the item (meaning who has owned the item),
  - g. Any reference source citing the items, including standard publications (e.g., the catalogue raisonne, news article, or in a museum exhibition catalogue),
  - h. A record of exhibitions in which the work of art was displayed, including exhibition title, venue, and date,
  - i. A condition report by a professional conservator if the physical state of an item affects its value,
  - j. Sales of other comparable works of art by the artist, including date of sale and price paid,
  - k. The economic outlook of the art market at the valuation date and the specific market conditions for each artist's work,
  - l. The present location of the art object(s), if it becomes necessary to arrange an inspection, and
  - m. Information about any agreements or understandings entered into (or expected to be entered into) that relates to the use, sale or other disposition of the property, including, for example, sales of the property since the valuation date, or terms and/or restrictions of a donation.
- (3) Any pertinent factors or knowledge gathered as to the accuracy of the claimed value should be set out on a separate page in the request. While the items listed above represent the ideal information required for valuation determinations by AAS, it is understood that not all of them may be readily available in every case. Receiving complete, accurate, and timely information for each referred object will ensure the AAS appraiser can deliver a thorough and timely work product.



8.18.1.1.8  
(05-28-2021)  
**Statement of Value  
Overview**

- (1) Taxpayers may request an advance valuation of art from the Internal Revenue Service, also known as a Statement of Value (SOV). A SOV may be used to substantiate the value of art prior to filing an income, estate, or gift tax return that reports the transfer of art. This procedure is addressed in Rev. Proc. 96-15. Fee amounts are updated biannually. Payments for a SOV must be made via *Pay.gov*. A SOV is a valuation review only and in the case of non-cash charitable contributions, it is not a review of the legal substantiation requirements or deductibility of the donation.
- (2) The Service may decline to issue a SOV when appropriate in the interest of efficient tax administration. In such cases, the AAS Director will prepare the necessary documents to generate a refund of the fee through *Pay.gov*.

8.18.1.1.8.1  
(05-28-2021)  
**Statement of Value  
Request Requirements**

- (1) SOV requests must be initiated with the payment of the required fee on *Pay.gov* and then a written request should be mailed to:  
Internal Revenue Service/Appeals  
Attn: Art Appraisal Services  
Request for Statement of Value  
1111 Constitution Avenue, NW, Room 3615  
Washington, DC 20224-0002
- (2) The SOV request must satisfy or contain the following:
  - a. Proof of payment made on *Pay.gov*,
  - b. Be in writing,
  - c. An appraisal of the item(s) (Charitable Contribution appraisals must be qualified appraisals completed by qualified appraisers),
  - d. For Income Tax Charitable Contribution appraisals, a completed appraisal summary (Section B of Form 8283, Noncash Charitable Contribution),
  - e. At least one of the following: a professional quality photograph of a size and quality fully showing the item, preferably an 8 x 10 inch color photograph, or high-resolution digital image provided on a flash drive, and
  - f. The location of the Area Office that has or will have examination jurisdiction over the tax return (not the Service Center where the return is filed).
- (3) All SOV requests will be carded into ACDS and an archive file created regardless whether the IRS issues or declines the SOV request.
- (4) A taxpayer may withdraw the request for a SOV at any time before it is issued by the Service.
- (5) If a request for a SOV for an item of art lacks information essential for its issuance, the Service will notify the taxpayer that the request will not be processed for that item unless the Service receives the missing information within 30 calendar days after the date of such notification.
- (6) A SOV should be completed and issued in the following time periods:
  - a. When a completed SOV request is received after January 15 but on or before July 15, the SOV should be issued by December 31.
  - b. When a completed SOV request is received after July 15 but on or before January 15, the SOV should be issued by June 30.

8.18.1.1.8.2  
(05-28-2021)  
**Statement of Value  
Processing**

- (7) If the value reported on the taxpayer's appraisal is appropriate, the AAS appraiser will prepare a memorandum approving the submitted appraisal. The AAS appraiser must advise the taxpayer to attach the memorandum to the taxpayer's return.
  - (8) If AAS does not agree with the value in the taxpayer's appraisal, the AAS appraiser will prepare an appraisal review report with the Service's determination of value, and the basis for the disagreement with the taxpayer's appraisal. This document must be attached to the taxpayer's return.
- (1) The AAS Director, or designee will review all SOVs and sign all documents issued to the taxpayer.
  - (2) When a SOV is issued for a tax return involving an income tax charitable contribution, the AAS appraiser will:
    - a. Prepare the necessary letter and memorandum/report to process the SOV and submit them for review and signature.
    - b. Forward the AAS memorandum or report to the taxpayer, and
    - c. Forward a copy of the AAS memorandum or report with Form 5346, Examination Information Report, and Form 8256, Art Valuation, to the appropriate PSP Territory Manager in the applicable Area Office.
  - (3) When a SOV is issued for an Estate or Gift Tax return, the AAS appraiser will:
    - a. Prepare the necessary letter and memorandum/report to process the SOV and submit them for review and signature.
    - b. Forward the AAS memorandum or report to the taxpayer, and
    - c. Forward a copy of the AAS memorandum or report with Form 5346, Examination Information Report, a memorandum to SB/SE, and Form 8256, Art Valuation, to SBSE, Specialty Examination, Estate & Gift/Excise Tax at the following address:  
Internal Revenue Service  
EG WSD  
7940 Kentucky Drive  
Stop 8307-F  
Florence, KY 41042
  - (4) When a SOV is declined:
    - a. The AAS appraiser will complete the refund memorandum and the user fee spreadsheet and submit to the AAS Director.
    - b. The AAS appraiser will prepare a declination letter to be issued to the taxpayer and the Form 5346.
    - c. The AAS Director will review and sign the documents.
    - d. The AAS Director will e-mail the completed memorandum and user fee spreadsheet to \*CFO BFC User Fee Refunds and \*CFO BFC Approval - User Fees.
    - e. The AAS appraiser will send the signed declination letter to the taxpayer.
    - f. A copy of the letter and the Form 5346 will be submitted to the appropriate PSP Territory Manager in the applicable Area Office for income tax charitable contributions.
    - g. A copy of the letter and the Form 5346 will be submitted to Estate and Gift PSP for Estate and Gift SOV.

8.18.1.2  
(05-28-2021)  
**Appraisers Overview**

(1) This section provides guidelines applicable to AAS appraisers that are engaged in valuation practice relating to the development, resolution, and reporting of issues involving works of art and other tangible personal property. Within these guidelines, the term “personal property” refers to tangible personal property. Appraisers must reasonably justify any departure from these guidelines.

(2) Personal property includes:

- Paintings
- Watercolors
- Prints
- Drawings
- Sculpture
- Ceramics
- Glass
- Furniture
- Decorative arts
- Antiques
- Textiles
- Carpets
- Silver
- Rare manuscripts
- Archives
- Historical memorabilia
- Antiquities
- Ethnographic art
- Coins
- Collectibles

The guidelines provided here regarding identifying, documenting, and analyzing the property are applicable to all types of personal property.

(3) This section incorporates by reference the ethical and conduct provisions contained in the Office of Government Ethics (OGE) Standards of Ethical Conduct, applicable to all IRS employees.

8.18.1.3  
(10-01-2012)  
**Case Assignment**

(1) The following procedures describe the actions that should be taken by the administrative officer, appraisers, and AAS Director when cases are referred to AAS for assistance.

8.18.1.3.1  
(05-28-2021)  
**Assignment of Case on SRS**

- (1) Art valuation referrals will be submitted via SRS and assigned to an appraiser by the Director or Lead Appraiser generally within five business days after assessing the case for SOL, completeness of submission, specific customer request, need for the Panel review, and other criteria.
- (2) Cases will be assigned to appraisers based upon specialty area and caseload.
- (3) Cases from Appeals that were reviewed by AAS in Exam will be assigned to a different AAS appraiser unless the taxpayer provides an ex-parte waiver.
- (4) Upon assignment, SRS notifies the customer of the assigned appraiser.

**Note:** If the statute will expire within 180 days of receipt, the employee will take the actions described in IRM 8.18.1.5.3, Cases Requiring Special Handling.

8.18.1.3.2  
(05-28-2021)  
**AAS Administrative  
Officer's Actions**

- (1) An AAS appraiser, once assigned a new case and in receipt of all relevant documentation, will ask the administrative officer to enter the following information, as relevant, on ACDS/Arts Valuation:
  - a. Create the case by generating a system assignment number through ACDS/Arts Valuation,
  - b. The taxpayer's name (last name, first name),
  - c. The taxpayer's Social Security Number or Employer Identification Number (EIN),
  - d. Classification of referral as Initial/Recon/SOV,
  - e. Item type: Decorative Art (DA), Fine Art (FA) or Other (OT),
  - f. Staff or the Panel review (drop down menu),
  - g. Tax Type (drop down menu - Estate, Gift, or Charitable Contribution),
  - h. Docket number (if present),
  - i. The number of items,
  - j. User fee submitted (for a Statement of Value request),
  - k. Earliest tax period (YYYYMM),
  - l. Earliest statute of limitations expiration date (MM/DD/YYYY),
  - m. Referral date (date of receipt on SRS) (MM/DD/YYYY),
  - n. Appeals receipt date (MM/DD/YYYY),
  - o. The taxpayer's total claimed value of the items under review (no \$ sign or commas),
  - p. The valuation date (MM/DD/YYYY),
  - q. The assigned appraiser (drop down menu),
  - r. The assigned date (MM/DD/YYYY),
  - s. The Panel meeting number and date,
  - t. The requesting entity (drop down menu - SB, LB, TE, TS, CCI, CI, DOJ, TP),
  - u. The requester's name,
  - v. The requester's phone and fax numbers,
  - w. The requester's street address,
  - x. The requester's e-mail address (if available), and
  - y. The taxpayer's appraiser company, name and professional affiliation (drop down menu).
- (2) When a case is transferred within the AAS unit from one appraiser to another, the AAS Director, or designee will document the transfer in the notes section of the case summary card on ACDS/Arts Valuation.

8.18.1.3.3  
(05-28-2021)  
**Appraiser's Actions and  
Timeframes**

- (1) The following procedures describe initial actions that should be performed by appraisers when receiving and beginning casework.

8.18.1.3.3.1  
(05-28-2021)  
**Receipt and  
Acknowledgement  
Procedures**

- (1) Upon receipt of the case the appraiser will:
  - a. Review the case file to ensure that all needed information and/or documents are present to proceed with the appraisal review. If necessary information and/or documentation is missing, the AAS appraiser will make contact with the referring employee for the additional information. If the

appraiser has not received all necessary documents by the 15th business day after receipt of the SRS referral, the appraiser will inform the AAS Director.

- b. Ask the administrative officer to input the case into ACDS after the AAS appraiser is in receipt of all relevant documentation. The AAS appraiser will provide the information listed in IRM 8.18.1.3.2, AAS Administrative Officer's Actions, to the administrative officer.
- c. Confirm whether it is assigned to that appraiser on ACDS/Arts Valuation. If not, the appraiser will inform the AAS Director for case assignment or other appropriate action.
- d. Review the case summary input from ACDS for accuracy. The appraiser will ensure that all pertinent fields listed in IRM 8.18.1.3.2, have been properly completed on ACDS/Arts Valuation. If not, the appraiser will make note of the necessary information and submit it to the administrative officer for input.
- e. Document in the case activity record on ACDS/Arts Valuation the date the appraiser received the case. Within 30 calendar days, the appraiser will inform the referring employee that he/she has been assigned the case and establish a follow-up schedule.

8.18.1.3.3.2  
(05-28-2021)  
**Initial Analysis**

- (1) The appraiser will perform an initial case analysis within 30 calendar days of receipt, including:
  - a. Noting the number of items to be reviewed.
  - b. For a charitable contribution, noting if an appropriately completed Form 8283, Noncash Charitable Contribution, (with cost basis information provided) and contemporaneous written acknowledgment is included, and Form 8282, Donee Information Return, for applicable cases.
  - c. For Estate and Gift, noting any discounts claimed and support for those discounts; any information on sales of the subject works.
  - d. For an Income Tax Charitable Contribution, ensuring that a qualified appraisal by a qualified appraiser is included, and for Estates and Gift, ensuring an appraisal is included.
  - e. Reviewing the Statute of Limitations on the case. If the statute will expire within 180 days the employee will take the actions described below within IRM 8.18.1.5.3, Cases Requiring Special Handling.
- (2) The initial analysis will be documented in the case activity record in ACDS/Arts Valuation.
- (3) After completing the initial analysis, the appraiser will plan the appraisal review assignment.

8.18.1.4  
(10-01-2012)  
**Valuation Casework and Development Guidelines**

- (1) Successful completion of an appraisal review assignment includes planning, identifying critical factors, documenting specific information, and analyzing the relevant information. All relevant activities will be documented in ACDS/Arts Valuation.

8.18.1.4.1  
(05-28-2021)  
**Identifying Critical Factors**

- (1) To determine an appraisal review conclusion, appraisers should define the assignment and determine the scope of work necessary by identifying the following:
  - a. Property to be valued,

- b. Interest to be valued, which may include fractional interest or personal property held in partnerships, corporations, and trusts,
- c. Effective valuation date,
- d. Purpose of appraisal,
- e. User of appraisal,
- f. Claimed value,
- g. Standard and definition of the value, i.e., is it fair market value?
- h. Assumptions,
- i. Limiting conditions,
- j. Scope limitations,
- k. Restrictions, agreements, and any other factors that may influence value, and
- l. Sources of information.

(2) The taxpayer's personal property appraisals should include, where applicable:

Item	Information
1)	The fair market value of the appraised item,
2)	The effective valuation date (i.e., date of taxable event such as date of death, date of gift, date of donation, etc.),
3)	The report completion date,
4)	The date of inspection and whether inspected in person or by photograph,
5)	A complete description of the item,
6)	A professional quality 8 x 10 inch color photograph, or high resolution digital image of the object (which the donor, donee, appraiser, or executor of the estate may already have),
7)	Manner of acquisition, cost, and date,
8)	History (provenance) of the item (meaning who has owned the item),
9)	Any reference source citing the item, including standard publications (e.g., the catalogue raisonne, news article, or museum exhibition catalogue),
10)	A record of exhibitions in which the work of art was displayed, including exhibition title, venue, and date,
11)	A condition report by a professional conservator, if the physical state of an item affects its value,
12)	Sales of other comparable works of art by the artist, including date of sale and price paid,
13)	The economic outlook of the art market at the valuation date and the specific market conditions for each artist's work,
14)	The location of the property,
15)	Information about any agreements or understandings entered into (or expected to be entered into) that relates to the use, sale, or other disposition of the property, including, for example, sales of the property since the valuation date, or terms and/or restrictions of a donation.

(3) A complete description of the item will include:

- a. Full name of artist/sculptor/maker, nationality and birth/death dates or alternately the culture, or place of origin,
- b. Title of work and/or subject matter,
- c. Date created/execution date or age,
- d. Medium and ground or support (e.g., oil on canvas, watercolor on paper, etc.),
- e. Size (cite actual dimensions in inches, the U.S. standard system of measurement), unframed, or weight, if applicable, for objects made from silver, gold, or other precious metals, and
- f. Signature information, marks, distinguishing features, symbols, or labels on the back or front of the object.

8.18.1.5  
(10-01-2012)  
**Documentation and  
Time Reporting on  
ACDS/Arts Valuation**

- (1) The following procedures describe how appraisers should document casework and report time on the ACDS/Arts Valuation system.

8.18.1.5.1  
(05-28-2021)  
**Documenting Case  
Activity**

- (1) All case activity should be clearly documented in the notes section of the Case Activity Record (CAR) on ACDS/Arts Valuation.
- (2) Documentation includes recording the steps taken, techniques used, and information found to support the facts and conclusions in the final report.
- (3) Appraisers will maintain a detailed CAR which:
  - Identifies actions taken and indicates time charged,
  - Identifies contacts, including name, subject, commitments, etc., and
  - Documents delays in the valuation.
- (4) Documentation should describe the actions taken. For example, "Research" is not a sufficient entry. An appropriate entry should include the type of research performed, the resources used, and other helpful information. For example, "Researched multiple databases including Artnet, Invaluable, Artprice, Askart and found multiple comparables for the (description of item being researched) and determined that the claimed value is acceptable" is a sufficient entry.
- (5) Always use CARATS codes to indicate the type of case activity performed. The following CARATS codes are currently available on ACDS/Arts Valuation:
  - AC – Final report submitted for review
  - AN – Analysis
  - CF – Conference
  - CM – Final report preparation
  - CO – Correspondence
  - CR – Case received
  - MS – Miscellaneous
  - SW – Support work
  - TC – Telephone contact
- (6) All case documentation and time spent on the case should have a corresponding CARATS code. Periods of inactivity should be properly documented.
- (7) The CAR and supporting documentation should justify that the time spent is commensurate with work performed.



- (8) When developing an appraisal conclusion, appraisers should obtain the relevant information necessary to accomplish the assignment and include the information within the documentation of the case.

## 8.18.1.5.2

(10-01-2012)

**Time Reporting**

- (1) Time reporting should be input to ACDS/Arts Valuation contemporaneously with the action.
- (2) Report time in increments of one hour.
- (3) If an appraiser will be on scheduled leave, they should input all time for the period up to and including the time of leave.

## 8.18.1.5.3

(05-28-2021)

**Cases Requiring Special Handling**

- (1) Cases with statutes of limitations expiring within 180 days require special handling.
- (2) AAS may reject referrals for cases when the statute of limitations will expire within 180 days.
- (3) If at any time during the appraisal review, the appraiser or the AAS Director determines that the statute of limitations will expire within 180 days, the appraiser will:
  - a. Inform the AAS Director that the statute will expire within 180 days or is in jeopardy.
  - b. Contact the referring employee to establish a plan of action and inquire if a statute extension is being pursued in gift tax or income tax cases.
  - c. If the Panel has not considered the art work in the case and the statute will expire within 60 days after the next meeting, advise AAS Director, make the best determination possible, close the case, and immediately forward the closed case report to the referring employee.

## 8.18.1.5.4

(05-28-2021)

**Appraisal Analysis**

- (1) Appraisers should document their analysis in the notes section of the Case Activity Record on ACDS/Arts Valuation.
- (2) In developing an appraisal review conclusion, appraisers should analyze the relevant information necessary to accomplish the assignment.
- (3) Appraisers should consider all relevant factors that affect the value.
- (4) Appraisers should use the appropriate valuation approach to determine the value of an item or items and use professional judgment in determining the extent of research necessary to substantiate the fair market value. The appraiser should consider:
  - a. The specific basis for the appraisal, such as relevant public and/or private sales (ideally with complete descriptions and illustrations), particularly around the valuation date with an analysis of these specific sales and relevance to the item being valued. The appraisal should also include the method of valuation used.
  - b. The market conditions near the valuation date.
  - c. The market demand for the subject property and the importance of the property and relevant value characteristics such as style, date, subject, medium, authorship, rarity, etc.
  - d. The effect upon value of condition and restorations.
  - e. The effect upon value of provenance and authenticity.



- f. The effect of relevant contractual or legal restrictions.
  - g. Any additional information or special circumstances that may affect the fair market value of the property.
- (5) AAS appraisers may assist referring employees with the issuance of IDRs or providing questions for interviews to obtain more complete information on a case.

**Note:** While the foregoing items represent the ideal information required, it is understood that each item of information will not be readily available in every case and the appraiser should not unnecessarily delay case activity.

8.18.1.5.5  
(05-28-2021)  
**Reviewing the Submitted Appraisal(s)**

- (1) The appraiser should first determine the quality, professionalism and credibility of the submitted appraisal and whether the appraiser and appraisal meet the legal standard and qualifications required for the specific tax type.
- (2) In reviewing a personal property appraisal and reporting the results of that review, an appraiser should assess the adequacy and appropriateness of the appraisal report and clearly disclose the scope of work of the review process.
- (3) In reviewing a personal property appraisal, an appraiser should:
  - a. Identify the taxpayer and intended use of the appraisal, users of the opinions and conclusions, and the purpose of the review assignment.
  - b. Identify the property under review, the interest being valued, the effective date of the valuation, and the date of the review.
  - c. Identify the scope of the review process.
  - d. Determine the completeness of the report under review and the identification of the subject property.
  - e. Determine the adequacy and relevance of the data, and the propriety of any adjustments to the data.
  - f. Determine the appropriateness of the comparables and/or valuation methods and techniques used; develop the reasons for any disagreement.
  - g. Determine whether the analyses, opinions, and conclusions in the report under review are appropriate and reasonable, and substantiate any disagreement.
- (4) An appraiser should conduct additional fact-finding, research, and/or analyses necessary to make a value determination.

8.18.1.6  
(05-28-2021)  
**Valuation Determination and Resolution Guidelines**

- (1) Appraisers will make necessary efforts to resolve the case after fully considering all relevant facts.
- (2) The objective is to resolve the issue as early in the examination as possible. Credible work by the appraiser will facilitate resolution of issues without litigation.
- (3) The appraiser will work with the referring employee and taxpayer (when warranted) to resolve any outstanding issues regarding the value of the personal property.
- (4) Once the appraiser has the pertinent information to resolve the issue, the appraiser will use their professional judgment in considering this information to make a specific value determination.

- (5) Appraisers may not have all of the information required to definitively resolve an issue. Appraisers, therefore, should decide when substantially enough information is available to make a proper determination or alternately make the best determination possible within the limitations of the submission.
- (6) Appraisers should use appropriate resources to obtain the information necessary to assess a proper determination. These resources may include auction databases, text reference materials, third-party experts in the various fields of property being examined, etc.
- (7) Appraisers will employ independent and objective judgment in reaching determinations, and will decide all matters on their merits, free from bias, advocacy, and conflicts of interest.

8.18.1.7  
(05-28-2021)  
**Work Product  
Guidelines**

- (1) Appraisers will prepare reports and/or memoranda of their findings.
- (2) The primary objective of a memorandum or valuation report is to provide accurate information to support the conclusions.
- (3) Valuation reports should contain pertinent information necessary to enable a clear understanding of the valuation analyses and demonstrate how the conclusions were reached.
- (4) This section requires the specific information to include or address in each report or memorandum.

8.18.1.7.1  
(05-28-2021)  
**Report Type and  
Contents**

- (1) The extent and content of the work product depends on the needs of each case. The appraiser will determine the type of report necessary for the assigned case. Memorandums are issued for the following valuation conclusions:
  - An individual item's claimed value is supportable;
  - A collective claimed value for a group of items is supportable. This does not require agreement with every individual claimed value;
  - A decrease in value that is in the taxpayer's favor in the case of an estate or gift tax, and
  - A reconsideration.
  - a. Appraisal review reports are issued in cases where the AAS appraiser is recommending an adjustment to the taxpayer's claimed value.
- (2) Valuation reports should clearly communicate the results and identify the information relied upon in the valuation process. The report should effectively communicate the methodology and reasoning, as well as identify the supporting documentation.
- (3) Valuation reports should contain sufficient information relating to the items in Identifying Critical Factors, Documenting, and Analyzing above, to ensure consistency and quality and to support the assumptions, analyses, and/or determinations of the appraiser.
- (4) Each written valuation report should contain a signed certification statement that is similar in content to the following: "To the best of my knowledge and belief:

Item	Statement
1)	The statements of fact contained in this report are true and correct.
2)	The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions.
3)	I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4)	I have no bias with respect to the subject of this report or to the parties involved with this assignment.
5)	Taxpayer privacy laws prevent AAS appraisers from disclosing if the subject property has been part of any previous assignment.
6)	I have (or have not) made a personal inspection of the property that is the subject of this report.
7)	My compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report.
8)	My analyses, opinions and determinations were developed, and this report has been prepared in conformity with the applicable Internal Revenue Service Valuation Guidelines and is consistent with the substance and principles of the <i>Uniform Standards of Professional Appraisal Practice</i> .
9)	My engagement in this assignment was not contingent upon delivering or reporting predetermined results.
10)	No one provided significant personal property appraisal assistance to the appraiser signing this certification."

8.18.1.7.2  
(05-28-2021)

(1) All appraisal reviews will be prepared in the following format:

#### Report Format

Valuation Report Section	Description
I. Issue	Describes the purpose of the document, e.g., whether it is a Statement of Value or Appraisal Review. It should also include the claimed value, number of items, and valuation date. If a charitable contribution case, includes a substantiation review and provides cost basis.
II. Intended Use and User(s)	Identifies the intended user and use of the document. <b>Example:</b> The intended users of this report are the taxpayer, the taxpayer's representative, and the IRS Estate and Gift Tax office in New York, NY. The report is intended to be used in association with the estate tax return examination of the Estate of (taxpayer name).

Valuation Report Section	Description
III. Finding	Summarizes the findings and recommended action, e.g., increase or decrease in value of the items reviewed. Notes if the Panel was consulted and provided recommendations. If a substantiation review is included, outlines deficiencies identified, if any, as well as issues that may limit any deduction claimed. Recommends consultation with technical advisors or Counsel as needed.
IV. Valuation Summary	Itemizes in a spreadsheet or column format, the items reviewed, claimed value, IRS value and adjustments to each. If substantiation or limits on a deduction are at issue, outlines the positions of the Service in priority order.
V. Scope of Work; Limiting Conditions	Documents the scope of the assignment, including the number of works reviewed versus total amount of works in appraisal and any limitations regarding information not provided or outstanding issues, such as authenticity, ownership, etc. Defines the role and work conducted of the AAS appraiser versus the Panel, if consulted. Lists audit work beyond the scope of AAS assignment.
VI. Valuation Methodology	Outlines the Approach to Value, the Most Common Market, the State-of-the-Art Market, the definition of FMV and relevant court cases.
VII. Information Provided by the Taxpayer	Discusses content of documents provided by the taxpayer, specifically the appraisal and in the case of charitable contributions, the Form 8283, Noncash Charitable Contribution, and the contemporaneous written acknowledgment.
VIII. Subject Property Valuation	Subject properties described, pictured and appraised, with analysis of the taxpayer provided comparables and IRS comparables. Images included where possible. Provides basis for the adjustment.
IX. Certification Statement	Contents outlined in IRM 8.18.1.7.1. Signed by the AAS Director, or designee and the AAS appraiser who authored the report.
X. IRS Commissioner's Art Advisory Panel Members	Current Panel members listed with brief biographies.
XI. Art Appraisal Service Credentials	Biographies of AAS Director and AAS appraiser provided.

8.18.1.8  
(10-01-2012)  
**Case Closing  
Procedures**

- (1) The following subsections describe the case closing procedures for the appraiser, administrative officer, and receiving office.

8.18.1.8.1  
(05-28-2021)  
**Appraiser's Closing  
Procedures**

- (1) The appraiser will complete the following actions when closing a case:

Step	Action
1)	Submit the closing memorandum and/or reports for review by the Lead Appraiser. Once the Lead Appraiser reviews, the appraiser will finalize any edits and submit for signature to the AAS Director.
2)	Update the ACDS with activity code AC - Submitted to AAS Director, and status code "D".
3)	Complete Part 1 of Form 8256 , Art Valuation, for all requests from Service personnel on cases referred to AAS.
4)	Document a brief summary of findings in the notes section of the case activity record on ACDS/Arts Valuation. The summary can be in either narrative or outline format.
5)	E-mail signed memorandum/report and a completed Form 8256, Art Valuation, to referring employee.
6)	Prepare a paper file archive file for the case. Include all pertinent documents used in the review and copies of the closing documents.
7)	Have administrative officer close the case on ACDS and provide Form 8256, Art Valuation.

8.18.1.8.2  
(05-28-2021)  
**Administrative Officer's  
Closing Procedures**

- (1) When notified by AAS appraiser, the administrative officer closes the case in ACDS/Arts Valuation by completing the following fields:

- AAS Closure (date closed MM/DD/YYYY).
- Form 8256, Art Valuation, sent (date MM/DD/YYYY).
- Initial IRS Value: (AAS recommended value for items reviewed - no \$ sign or commas).
- Confirm number of items and claimed value are accurate.

- (2) The administrative officer should confirm receipt of the returned Forms 8256.

- The administrative officer will establish a method to account for the Forms 8256 sent and returned.
- On at least a quarterly basis the administrative officer will determine whether Forms 8256 are being returned and follow up as needed.
- Upon receipt, record agreed or unagreed figure (no \$ sign or commas) in appropriate ACDS field.

8.18.1.8.3  
(05-28-2021)  
**Receiving Office's  
Closing Procedures**

- (1) The manager of any Service employee who has received assistance from AAS will ensure that Form 8256, Art Valuation, is updated by completing the applicable portions of Part II immediately upon disposition of the case. See Form 8256 procedures in IRM 4.48.2.4, Form 8256 Procedures.

- (2) The updated original Form 8256 with AAS closing memorandum or report will remain in the case workpaper file after being indexed on Examination Workpapers Form 4318 or Estate and Gift Tax exam planning documents and/or lead

sheets and workpapers. E-mail the completed Form 8256 to the AAS appraiser (preferred) or mail a copy to:

Internal Revenue Service/Appeals  
Attn: Art Appraisal Services  
1111 Constitution Ave, NW, Room 3615  
Washington, DC 20224-0002

- (3) To further enhance the valuation assistance provided by AAS, requesters are encouraged to include comments and supporting documentation that would be beneficial to the viability of this program.

#### 8.18.1.9 (05-28-2021)

#### **Reconsideration and Dispute Procedures**

- (1) If a taxpayer or representative does not agree with the determination of AAS, the taxpayer may request a reconsideration with the submission of a rebuttal report that addresses the AAS Appraisal Review Report and/or a new appraisal report. A request for reconsideration should include substantial new evidence which may affect the valuation of the item. (Public sales data, such as comparable sales, are not new evidence if they were previously available at the time of the AAS Review.)

**Example:** If the taxpayer asserts that condition issues affect the item's value, the request must include a condition report by a professional conservator.

- (2) If the taxpayer chooses to request reconsideration, it should be submitted as soon as possible after the issuance of the AAS Appraisal Review Report. Rebuttals submitted during the Appeals process will be remanded back to Exam for review by the AAS appraiser who handled the case in Exam. IRS employees in receipt of reconsiderations should request AAS assistance through the SRS.
- (3) The AAS Director, or designee/Lead Appraiser will assign the reconsideration to the appraiser who handled the case in Exam. It will be entered in ACDS/Arts Valuation as a new case.
- (4) AAS will issue a reconsideration memorandum in response to the arguments presented by the taxpayer and indicate if any adjustments to the original AAS determination are warranted. The memorandum will be signed by the AAS Director, after review.

#### 8.18.1.9.1 (05-28-2021)

#### **Working Appeals Cases**

- (1) Consistent with IRM 8.7.1.5, Valuation Issues in Appeals Cases, AAS offers assistance to Appeals Officers handling art valuation cases in an effort to achieve settlements and avoid litigation. Referrals to AAS should be made for any case with a single artwork valued in excess of \$50,000.
- (2) Requests for art valuation assistance should be made on SRS.
- (3) If a case was previously referred to AAS in Exam, a different AAS appraiser will be assigned the case at the Appeals level, unless ex-parte is waived by the taxpayer.
- (4) The AAS appraiser assigned to the Appeals case, will confer with the Appeals Officer regarding a timeline for the review of the appraisals and related documents for both the government's position and the taxpayer's position.

- (5) If the taxpayer submits new information to the AAS appraiser assigned to the Appeals case, follow the guidelines in IRM 8.6.1.7.5, Taxpayer Provides New Information.
- (6) If requested, the AAS appraisers assigned to the Appeals case, may participate in taxpayer conferences or may provide telephone support to Appeals Officers prior to issuance of a final work product, however, any specific settlement numbers should be reviewed with the AAS Director, or the Lead Appraiser before offered to the Appeals Officer.
- (7) After review with Lead Appraiser/Director, the AAS appraiser assigned to the Appeals case will provide the Appeals Officer with an Appeals memorandum signed by the AAS appraiser that provides the strengths and weaknesses of both parties' positions, any identified hazards of litigation or conflicts of interest and a recommended value or range of value for settlement purposes. Settlement recommendations should be based upon the merits of each case and be fair to both the government and the taxpayer.

8.18.1.10  
(05-28-2021)  
**Commissioner's Art  
Advisory Panel and  
Additional Assistance**

- (1) The Commissioner maintains the Panel of nationally prominent art museum directors, curators, and art dealers to help the Service review and evaluate appraisals submitted by taxpayers in support of the fair market value claimed for works of art on income, estate, and gift tax returns.
- (2) The Panel is an IRS Advisory Committee chartered under the Federal Advisory Committee Act (FACA) of 1972. Members are appointed without compensation.
- (3) The Panel generally meets twice per year as follows:
  - a. Section 1, Painting and Sculpture – Spring (March/April) and Fall (September/October); and
  - b. Section 2, Decorative Arts and Antiques – ad hoc basis.
- (4) The Panel considers research materials and information provided to them by the AAS appraisers. These materials do not identify the taxpayer, the taxpayer's appraiser, the intended use, or the tax consequences of adjusting the valuation. The Panel provides oral recommendations on the values of art works after a consensus is reached by the Panel members. The Panel does not issue written reports. AAS makes the final determinations of value.

8.18.1.10.1  
(10-01-2012)  
**Appointment of Experts  
to the Panel**

- (1) The procedures for appointing experts for the Panel are outlined in IRM 6.304.1, Expert and Consultant Appointments, to ensure timely submission of approval requests to Treasury; and to ensure adherence to regulations, policies, and procedures (such as the FACA of 1972) governing the appointment of Experts and Consultants.

8.18.1.10.2  
(05-28-2021)  
**Renewal of the Panel**

- (1) The Panel Charter is renewed every two years by request from the Commissioner of Internal Revenue to the Treasury Assistant Secretary for Management and Chief Financial Officer. The AAS Director should begin the process to update the charter at least 120 days prior to the expiration of the charter.
- (2) Procedures for requesting the approval of the Treasury Assistant Secretary for Management and Chief Financial Officer to renew the Panel are as follows:



Step	Action
1)	The AAS Director prepares a memorandum from the Commissioner of Internal Revenue requesting that the Treasury Assistant Secretary for Management and Chief Financial Officer approve renewal of the Panel's Charter.
2)	The IRS Commissioner must sign the memorandum.
3)	Attach the following items to the memorandum: <ul style="list-style-type: none"> <li>• Background information about the Panel</li> <li>• A copy of the current charter</li> <li>• The Federal Register notice, which notifies the public of the necessity to renew the Panel</li> <li>• The new charter</li> <li>• Membership balance plan</li> <li>• Action routing sheet</li> <li>• Notes to reviewer</li> </ul>
4)	After preparing the documents in steps 1 and 3, forward to the Office of Chief Counsel, General Legal Services (GLS) for review. Include Form 14074, Action Routing Sheet.
5)	After review by GLS, forward all documents through appropriate chain of approval up to Chief, Appeals, for review. Include Form 14074, Action Routing Sheet.
6)	After review and approval by Chief, Appeals, forward all documents to the IRS Commissioner's Office for final signature. The Commissioner signs the memorandum to Assistant Secretary for Management, new charter and federal register notice.
7)	Once signed by Commissioner, deliver to Treasury the Charter Renewal package: original memorandum signed by Commissioner, original Charter, copy of the Membership balance plan and charter background. Assistant Secretary for Management will sign the new charter
8)	Once Charter is signed by all required parties, forward the original and three copies to the Federal Register Liaison in the Office of Chief Counsel and provide an electronic copy via e-mail. <b>Note:</b> The Charter does <b>not</b> get published-only the Federal Register Notice
9)	The signed Charter and the Membership balance plan will need to be uploaded to the FACA website.

8.18.1.11  
(05-28-2021)

**Art Appraisal Services  
and Art Advisory Panel  
Coordination**

- (1) An AAS appraiser will review the complete referral file (request for valuation assistance with the essential information and material identified above) and conduct additional research as needed before referral to the Panel or consultation with an outside expert.



- (2) The Panel usually meets twice per year to review material presented by AAS appraisers. Notice of these closed meetings must be published in the Federal Register at least 15 days prior to each meeting date. Accordingly, requests for valuation assistance should be initiated as early as possible in the examination of returns involving works of art to allow sufficient time for AAS review procedures (by January 15 for Spring meetings and June 15 for Fall meetings).

**Note:** Under Delegation Order 1-23 (formerly DO-193, Rev. 6), as revised, the Chief, Appeals, is authorized to sign on the Commissioner's behalf the notice in the Federal Register of such meeting(s). See IRM 1.2.2.2.20.

- (3) To help in case planning and control, the AAS appraiser will advise the referring employee of estimated completion dates based on the Panel meeting dates, especially when facts and circumstances in specific cases result in abnormal delays.
- (4) In the final disposition of a case by AAS, determinations for acceptance or rejection of claimed values will consider the Panel's recommendations and the AAS appraiser's research.
- (5) Due to the unique nature of the subject matter reviewed by the AAS, Appeals Officers, Estate and Gift Attorneys, Examiners, and other IRS personnel contemplating substantial concessions to values recommended by AAS should first consult with the AAS Director.
- (6) Information regarding the status of specific cases referred for art valuation assistance may be obtained by contacting AAS.

8.18.1.12  
(05-28-2021)  
**Art Panel Meeting  
Procedures**

- (1) When AAS determines the Panel's expertise is necessary in valuing items, AAS will meet and confer with the Panel. This meeting is closed to the public.
- (2) Not all cases or items require the Panel's review. Based upon the following criteria and the judgment of the AAS Director, an item may be presented to the Panel for additional review.

If ...	Then ...
The item is within the Panel's field of expertise and/or information (comparables) is not readily available	It should be presented to the Panel
The item is part of a case requiring special handling	It should be presented to the Panel
The aggregate adjusted value of the case is <i>de minimis</i> but an item is not	Only item(s) of significant adjusted value should be presented to the Panel
The claimed value of the item is greater than \$150,000	It should be presented to the Panel
A full appraisal review report is not warranted	It should not be presented to the Panel

If ...	Then ...
The item is not within the Panel's field of expertise	It should not be presented to the Panel
The adjusted value of the item is <i>de minimis</i>	It should not be presented to the Panel
The statute of limitations will expire within 60 days after the next appropriate Panel meeting	It should not be presented to the Panel
It is being presented for reconsideration	It may be presented to the Panel
The review is at the Appeals level	It should not be presented to the Panel

8.18.1.12.1  
(10-01-2012)

**Establishment of Meeting**

- (1) The Panel meetings should be established when necessary and the expense is justifiable.
- (2) The AAS Director will determine whether a meeting should be convened.

8.18.1.12.2  
(05-28-2021)

**Establishing the Meeting Date**

- (1) The Panel members should be notified of a pending meeting at least 90 days before the Panel meeting.
- (2) Materials for review by the Panel should be forwarded to the Panel members three weeks before the Panel meeting.

8.18.1.12.3  
(05-28-2021)

**Federal Register Notice**

- (1) A notice of the closed meeting must be published in the Federal Register no less than 15 days prior to each meeting.
- (2) The AAS Director will prepare and forward the notice of closed meeting and the Federal Register notice to GLS for review.
- (3) After GLS' review, submit the notice for signature through the chain of approval up to either the Chief or Deputy Chief, Appeals. Include Form 14074, Action Routing Sheet.
- (4) Forward the approved notice and three copies to the Federal Register Liaison in the Office of Chief Counsel. Provide an electronic copy via e-mail.

8.18.1.12.4  
(05-28-2021)

**Meeting Reports to Congress and the Public**

- (1) On a fiscal year (ending September 30) basis, the findings of the Panel meetings are to be posted to the *Federal Advisory Committee Act* website by the Designated Federal Officer (DFO), normally the AAS Director. This is to be completed no later than October 31 following the fiscal year end.
- (2) On a fiscal year (ending September 30) basis, the DFO prepares the "IRS Commissioner's Art Advisory Panel Report to Congress". Based on the contents of this report and the statistical information to be compiled, the report should generally be completed no later than March 31 following the close of the fiscal year.

8.18.1.12.5  
(05-28-2021)

**IRS Commissioner's Art  
Advisory Panel Report  
to Congress Preparation  
and Dissemination  
Process**

- (1) The following steps describe the process for preparation and dissemination of the IRS Commissioner's Art Advisory Panel Report to Congress:

Step	Action
1)	Compile all data necessary for the report, such as number of reviews performed, total adjustments, number of meetings held, etc.
2)	Prepare the Federal Register notice for the report.
3)	Prepare the IRS Commissioner's Memorandum.
4)	Prepare the Annual Report to Congress.
5)	After preparing documents in 1 to 4 above, forward to GLS for review. Include Form 14074, Action Routing Sheet.
6)	While the report is being reviewed by GLS, prepare a Publishing Services Request (PSR) to secure approval from media and publications. Said approval will be necessary in order to post the report on IRS.Gov.
7)	After GLS' review, forward all documents through the chain of approval to Chief, Appeals, for review and signature of the Federal Register notice. Include Form 14074, Action Routing Sheet.
8)	After review and approval by Chief, Appeals, forward all documents to the Commissioner's Office for final signature on the Commissioner's memorandum, which indicates approval of the Annual Report to Congress. An E-TRAK submission will be necessary.
9)	After the Commissioner signs the transmittal memorandum for the Annual Report, forward the memorandum and the annual report to Treasury.
10)	Forward the original and three copies of the Federal Register notice to the Federal Register Liaison in the Office of Chief Counsel. Send a copy of the Federal Register notice via e-mail to Counsel.
11)	Prepare and forward eight copies of the report to the Library of Congress at the following address: Library of Congress Federal Advisory Committee Desk Government Documents Section 101 Independence Avenue, SE Washington, DC 20540-4174
12)	Upload the annual report to the FACA website.
13)	Send e-mail to <i>*AP Communications</i> with a copy of the annual report for publication on <i>IRS.gov Art Appraisal Services page</i> . Provide a copy of the approved PSR. Also publish to the AAS intranet site.

8.18.1.12.6  
(05-28-2021)  
**Annual Comprehensive Review**

- (1) Section 7(b) of the Federal Advisory Committee Act (FACA), as amended, directs agencies to provide their assistance to GSA in conducting the Annual Comprehensive Review (ACR). The AAS Director is responsible for entering Federal advisory committee data into the GSA FACA database throughout the year, and for reviewing the data during the ACR to ensure it is complete, up to date, and accurate.
- (2) The General Services Administration (GSA) Committee Management Secretariat (Secretariat) initiates this review toward the end of each fiscal year, provides guidance to the AAS Director on how the review will be conducted, and outlines the deadlines for each part of the review.

8.18.1.13  
(05-28-2021)  
**Expert Assistance in Litigation**

- (1) AAS is available for expert assistance in litigation matters in response to requests from the Office of Chief Counsel when cases are being considered by Government attorneys for trial, during preparations for trial, at court proceedings, in studies of transcripts for briefing, and in connection with subsequent procedures related to final disposition of litigation including contemplations for appeal or judicial decisions.
- (2) Requests for assistance in litigation are received from the IRS Chief Counsel, and the Tax Division of the United States Department of Justice. Requests are also received from General Litigation Division and Disclosure Division.
- (3) Art valuation assistance may be requested in relation to litigation in the U.S. Tax Court, U.S. Court of Federal Claims, U.S. Bankruptcy Court, the various U.S. District Courts, and U.S. Courts of Appeals. Government attorneys generally seek help that can be given by specialists who are professionally qualified as art appraisers.
- (4) When art valuations expertise is not available within AAS, AAS appraisers may be asked to help Government attorneys obtain help from other Service personnel or from experts outside the Service.
- (5) Generally, the requested assistance requires review, analysis, and, when necessary, enlargement of the factual background found in the files reflecting Service action prior to litigation. Independent investigation and research often are necessary for preparing an unbiased analytical report containing appropriate findings and recommendations. The report may be used by Government counsel in an overall evaluation of the settlement potential of a case in relation to the litigation hazards of the valuation issues involved. The initiator of the report is available to Government counsel for participation in settlement conferences that may or may not be attended by experts representing taxpayers.
- (6) If settlement is not reached and trial is necessary, appraisers may testify to the courts as expert witnesses to explain and clarify the findings in their reports.
- (7) After a trial, Government counsel may request further assistance in studying transcripts of the court records and in preparing factual information and analyses for use in briefs. This work is not limited to initial trial courts but extends to subsequent courts of appeal.

8.18.1.14

(05-28-2021)

**Disclosure of Valuation  
Requests and Third  
Party Contact**

- (1) Employees may disclose to taxpayers that art valuation assistance from AAS has been requested or mandated per IRM 4.48.2.2, Criteria for Requesting Art Appraisal Services Assistance.
- (2) In general, research performed to determine fair market values and/or information by AAS does not involve third party contact; however, employees should be aware of the third party contact regulations as explained in IRM 8.1.6.2, Third Party Contacts, and IRM 8.1.6.2.1, Third party contacts specific to Appeals.
- (3) If a Compliance initiated valuation review requires consultation with a third party expert, per the Taxpayer First Act, AAS will ask the referring customer to give the taxpayer the required 45 days notice before any contact is made.

