

Local artist turns fighter with a cause



Self-portrait done by Bloomfield Hills artist Joseph Maniscalco.

By CORINNE ABATT

Most artists would rather paint than fight. Or if they do choose to champion causes, they do it through their art.

Joe Maniscalco of Bloomfield Hills has stepped out of his artist image for the past couple of months, laid aside his brushes and taken up his pen to do battle with the Internal Revenue Service, IRS.

But, his argument (and that's a polite term) goes beyond the IRS. It stems from national legislation which Maniscalco claims is unfair to professional artists.

In 1969, Congress passed the Internal Revenue Reform Act which prohibits artists from taking fair market deductions for works they create and donate to nonprofit organizations. The tax law was designed to close loopholes that had enabled politicians, among others, to take deductions for large donations of materials such as official papers.

President Lyndon Johnson took a sizable deduction when he donated his presidential papers. Richard Nixon tried the same thing.

Prior to the 1969 legislation, an artist could donate his art to a worthy, nonprofit cause and take a deduction on the fair market value of the work.

Most artists have donated works because they are plagued by requests

from churches, service organizations and other nonprofit groups who raise money through art auctions. Many artists also donate works to the permanent collections of museums.

AS THE LAW now stands, the artist may only deduct the cost of materials when he donates his work to a nonprofit organization.

The other side of this is that if the artist dies and leaves unsold art, his estate and heirs will be taxed on the full market value of all of the unsold works.

And if he happens to leave a basement full of paintings or sculpture, the tax bite could be tremendous.

Maniscalco's fight revolves around his 1974 tax return in which he took deductions at fair market value for four paintings he donated to nonprofit organizations. On March 13, he will confront the IRS for the fourth time—this time in tax court.

"I thought tax court was the judicial branch, but to my horror a few weeks ago, I learned that tax court is part of the executive branch. Here I had been waiting to take my case before an independent judge of the judiciary, and it turns out tax court isn't judiciary."

Until 1969, there would have been little question about Maniscalco's action. Now it's different.

Maniscalco doesn't argue that the tax reform was needed. But he said,

"In applying the law, they have thrown the baby out with the wash. Prior to 1969, if I gave a painting to a nonprofit organization, I could deduct the fair market value."

While the artist is no longer entitled to a deduction, neither is the person who buys it because he has received something for his money.

HOWEVER, IF A nonartist donates a painting which he paid for or some how acquired, then a deduction on the fair market value could be taken. The reason being that he paid income tax on the money he earned to buy the painting or work of art.

Maniscalco used a doctor as an illustration. If a doctor donated a painting to a fundraising auction by a nonprofit organization, he could take a deduction because the money to buy it "came from the fruits of his labor."

"That's a fair premise for the IRS to take, but the painting I chose to donate also came from the fruits of my labor."

So Maniscalco decided to test the law.

"In 1974, after five years of giving paintings away and stewing about it, I deducted four paintings. I felt I deserved the deduction with the knowledge that I would most likely be audited."

Still, the value of the works of art, worth only the price of materials when donated, can change dramatically. A

painting worth \$10 if the artist wants to take a deduction on it in his lifetime could be worth a hundred times that much if it ends up in his estate.

It is this inequity and the fear of leaving a family with huge tax bills that has caused many artists to destroy their works before their deaths. Thomas Hart Benton did this.

WHILE HEIRS HAVE up to 10 years to sell the art works in the estate, this tax on the market value of the paintings is still a gray area.

No one knows better than the art dealers themselves that tastes are fickle. A painting that sold for \$25,000 in the late 19th century might bring that same amount or more today.

But, in the 1930s, it would only command a quarter of that figure. For a period of time in the depression era, the prices of many late 19th century paintings were at their lowest.

Last year, U.S. Rep. Frederick Richmond (D-New York) proposed legislation that would place a value on the works in an artist's estate on the cost of materials alone with the provision that capital gains be paid when the art is sold.

This would forestall immediate evaluation of the art and, in fact, could prove financially beneficial to the government tax collectors. It would allow time for the art work to be evaluated by the buying public and to see whether the particular style has lasting qualities.

Prisoner's wife appeals

Anatoly Sharansky, a Soviet Jew, always felt the need to help anyone who came to him for assistance. Today, people committed to human rights are assisting the young Soviet scientist in his effort to win freedom and to leave the Soviet Union.

Helping her husband is Avital (Natalia) Sharansky.

Ms. Sharansky will visit this area for three days to continue her battle for her husband's freedom. Her visit is part of a nationwide tour on his behalf, and to spur efforts for an international student hunger strike March 15, the anniversary of her husband's arrest by the KGB.

She will speak Thursday evening at the Hill House in Ann Arbor and hold a Detroit press conference Friday. On Saturday will address the congregation at Adat Shalom Synagogue in Farmington Hills.

Following Sabbath services a luncheon will be held. The public may attend. At 8 p.m. Saturday a reception with Congressman William Brodehead will be held. Later that evening a reception is planned at Hill House in Oak Park for the Wayne State University Chapter of Hill.

Sharansky and his wife were married July 4, 1974. Mrs. Sharansky received her visa and left for Israel the day after the wedding.

Sharansky was a mathematician and a chess master and was graduated from the Moscow Institute of Physics, department of computer and applied math.

On March 15, 1977, Sharansky was arrested and taken to Lefortovo Prison where allegedly he was interrogated as a "traitor to the republic" after an article accusing him of being an American spy appeared in the newspaper Izvestia on March 4. Such



AVITAL SHARANSKY

charges could bring a sentence of from ten years to death.

Sharansky was a founding member of the group to monitor the Helsinki Agreement in the USSR. The group's chairman, Yuri Orlov, is also in Lefortovo Prison.

Before Sharansky's arrest he was the translator for Dr. Andrei Sakharov and was liaison to the western press for Jews wishing to emigrate and dissidents seeking publicity.

He was personal guide for visiting dignitaries, including U.S. congressmen and senators from this country.

Congregation Adat Shalom has adopted Sharansky and is working toward his freedom. He has also been adopted by the Detroit Committee for Soviet Jewry and the Workmen's Circle.

Ewing ends

Navy school

Hospital Corpsman Nancy Ewing, daughter of Mr. and Mrs. Warren Schuler, of Farmington, graduated Feb. 15, from the U.S. Navy Hospital Corps School at Great Lakes, Ill.

During her training at Great Lakes, she served as a Class Platoon Leader. She graduated with honors and distinction having an average of 98.6 per cent, the highest in a class of 57 students. She received a commendation from the executive officer. She was also a student speaker for the class at the graduation ceremony.

Ewing has been assigned to the hospital at Camp Pendleton, Calif.

Hillsdale compiles dean's list

Marie D. Bush, the daughter of Mr. and Mrs. William Bush, of 21500 Orchard Lake Road, Farmington, and Thomas Golden, son of Mr. and Mrs. John Golden, of 30225 Grand River, Farmington, were named to the dean's list of Hillsdale College.

He Just had to tell you about the special Easter Workshop we're having at the Drop & Match, Wednesday, March 8th at 2:00.

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