The Art Advisory Panel
of the
Commissioner of Internal Revenue

Membership Balance Plan

1. **Name.** The Art Advisory Panel of the Commissioner of Internal Revenue (the Panel).

2. **Authority.** The Panel's activity is based on the authority to administer the laws of the Internal Revenue Service as conferred upon the Secretary of the Treasury by section 7801 of the Internal Revenue Code of 1986 and delegated to the Commissioner of Internal Revenue.

3. **Mission/Function.** The Panel provides advice and recommendations to the Art Appraisal Services (AAS) unit in Appeals. Thereby, the Panel helps the IRS review and evaluate the acceptability of personal property appraisals submitted by taxpayers to support the fair market value claimed on the wide range of works of art involved in income, estate, and gift tax returns. The Panel provides essential information about private sales based on its members' experience and information from others in their small industry, and from specialized knowledge developed as dealers, scholars, and curators. The Panel is chaired by the Director, Art Appraisal Services, who reports to the Director, Specialty Operations within Appeals.

4. **Points of View.** The Panel may consist of up to 25 members. Each Panel member is appointed as a Special Government Employee and has expertise in the art community. The overall membership consists of fine art and decorative art dealers, scholars, museum directors and curators, with expertise in specific areas including major schools and periods of art. The number and membership balance of the Panel is not static and will vary depending on the IRS's needs and the Panel's work.

5. **Other Balance Factors.** Other balance factors include experience in the broad range of fine and decorative arts such as sculpture, paintings, prints, textiles, furniture, and collectables, and geographic diversity.

6. **Membership and Candidate Identification Process.**

    a) **Cross-section**. The IRS solicits nominations to the Panel by reaching out to stakeholder groups and obtaining recommendations from current and former Panel members, as well as relying on staff

knowledge. After receiving the nominations and outside recommendations, Appeals develops a list of qualified candidates, which can not be federally registered lobbyists. It then selects the member(s) for appointment based on relevant experience and knowledge, geographic location, and other considerations.

b) **Appointment.** The IRS appoints the Panel members as Special Government Employees. This designation requires the Panel members to:
   i. Disclose personal financial information (annually)
   ii. Be subject to a complete background check
   iii. Serve no more than 130 days during a 365-day period
   iv. Serve without salary or remuneration, as specified in the Panel's Charter
   v. Receive and certify receipt of Government Ethics training (annually)

c) **Agency staff involved**. Senior IRS officials in Appeals, including the Director, Specialty Operations or designee, participate in the review process.

d) **Vacancies**. Vacancies are filled as promptly as possible, in line with balance criteria.

e) **Term limits**. Each member is appointed for a term of two years, with the possibility of renewal based upon workload and expertise needs, and at the discretion of the Director, Specialty Operations or designee.

7. **Subcommittee Balance.** The Panel currently has two active subcommittees (or work groups), "Decorative Art," and "Fine Art." These subcommittees report directly to the Panel Chairperson, who is the Director, Art Appraisal Services. Subcommittees are balanced to provide varied points of view. However, because subcommittee composition is based on members' expertise in a particular area, by necessity members that do not have expertise in the area of a subcommittee do not participate in that subcommittee.

8. **Date Prepared.** This Membership Balance Plan was initially prepared on December 13, 2011, and revised on November 26, 2013.