

# Charitable Fundraising for the Arts in the Era of Globalization

## International Tax Barriers for Arts Organizations

### RESEARCH QUESTION

“How can the current existing solutions for tax efficient international charitable giving be used optimally by arts organizations?”

### TAX JURISDICTIONS DIVIDED IN 4 ARCHETYPES ACCORDING TO LEVEL OF OPENNESS TOWARDS CROSS-BORDER

Open

Relatively open

Restrictive

Closed



### SUMMARY

Donations to the arts are often supported by tax incentives. When donations cross borders, tax incentives do not always apply, hindering international fundraising. Several solutions exist to make international donations possible while benefiting from tax incentives, for example:

#### *Public solutions:*

- Unilateral tax legislation
- Bilateral tax legislation
- Multilateral tax legislation

#### *Private initiatives:*

- Foundations operating abroad
- 'Friends of' charities
- Mediating parties

This research evaluates the solutions from the perspective of arts organizations, in order to identify best practices in context.

### INTERDISCIPLINARY RESEARCH

#### 1. Legal doctrinal research

Horizontal legal comparison of tax jurisdictions

- Four archetypes of tax jurisdictions are compared

#### 2. Empirical research

Multiple embedded case studies of arts organizations

- Interviews fundraisers & tax advisers
- Document analysis annual reports