

# S. 661, The CREATE Act

## Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act

The **Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy (CREATE) Act, S. 661** introduced by Senator Tom Udall (NM), ensures that artists, galleries, museums, and aspiring artistic entrepreneurs across the country can access resources and programs to help grow their businesses and share their artwork with our communities.

Nationally, the arts directly support over 4.1 million full-time jobs and \$135 billion of annual economic activity. The CREATE Act supports artists and entrepreneurs in the creative economy with access to loans, incubators, and grant programs through the Small Business Administration (SBA), Economic Development Administration and Rural Development Administration. It also allows artists to claim tax deductions for charitable contributions based on the sale value of a piece of artwork, rather than the value of the materials used to create the artwork.

Additionally, the legislation would promote the expansion of art in communities by creating a demonstration project to promote creative and performing arts in local economy planning. It increases cultural and educational opportunities for American students and families by encouraging foreign governments to lend artwork to U.S. museums and educational institutions, and improve the visa process for foreign visual and performing artists hosted by American organizations.

### **CREATE Act – Summary**

- **Title I—Support for Artists:** This title improves resources available to artists and creative entrepreneurs. It expands programs at SBA to increase microloans, business loans, and technical assistance programs for artists. The title also expands economic and rural development grants through EDA and USDA to support artists and the creative economy through traditional economic development tools, including incubators and technical assistance. Lastly, this section decreases visa processing times for foreign artists visiting the U.S. and increases access to disaster relief for artist impacted by natural disasters.
- **Title II—Support for the Creative Economy:** Title II makes changes to taxes applied to donating and holding art. It authorizes “fractional gifts” or donations over time for arts donated to museums and cultural institutions. The section also bars a separate discriminatory rate for capital gains tax on art.
- **Title III—Creative Community Development:** The final portion of the bill increases community-oriented programs that support the creative economy. It creates an Artist corps within the Corporation for National and Community Service (CNCS) similar to the Education Corps, Clean Energy Corps, etc, as called for in the Serve America Act. The program would support programs administered by nonprofit community organizations that place skilled visual and performance artists. The title also includes provisions to develop a model for creative economy development organizations that work in low-income communities across the country.