

A row of ornate blue and white ceramic vases is displayed in a museum setting. The vases feature intricate blue patterns, including floral motifs and a landscape scene with a building. The lighting is warm, highlighting the glossy surface of the ceramics. The background is slightly blurred, showing more of the museum environment.

# **CB PROBATE** VALUATIONS OF ART

AN OVERVIEW

## PROBATE VALUATIONS OF ART

### WHEN ADMINISTERING AN ESTATE, THE DECEASED'S PERSONAL POSSESSIONS CAN OFTEN PRESENT CHALLENGES, BOTH IN TERMS OF THE DISAGREEMENTS AMONG FAMILY MEMBERS OVER SENTIMENTAL ITEMS AND VALUING UNIQUE WORKS OF ART OR ANTIQUES.

Whilst the sentimental value of any such items will of course be important to the family, the inheritance tax account requires the personal representatives to ensure that any unsold items in an estate are realistically valued. HM Revenue & Customs encourage the taxpayer to concentrate on the higher value items in an estate, particularly where any adjustments or discrepancies in their value may be substantial.

Where antiques and items of art are unique with few comparables, obtaining a well-reasoned valuation from a reputable source is essential in order to ensure that the estate does not inadvertently overpay inheritance tax.

Section 160 of the Inheritance Tax Act 1984 stipulates that the value for probate purposes is the price which the property might reasonably be expected to fetch if sold on the open market at that time. This is the basis upon which items are valued, but generally sales after the death, particularly those at auction, provide the best evidence of the open market value at the date of sale.

HM Revenue & Customs expect the taxpayer to consider how best to optimise the value of the art or antiques, which may include lotting the items together.

Nevertheless, in order to obtain a robust valuation provenance is a key factor. Strong evidence to prove provenance is a way of knowing where the artwork has been since its inception and it helps both in terms of the valuation but also in terms of the appeal of the artwork when it comes to a potential sale.

Of course, valuations of this nature can be subjective and cause contention between HM Revenue & Customs and the taxpayer if HM Revenue & Customs believe that the valuation does not accurately reflect the open market value of the item.

## GET IN TOUCH



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### LISTEN TO OUR PODCAST ON THIS TOPIC: THE FINE ART OF PROBATE

Find out more about the valuation process in this episode hosted by James Cook where he is joined by a special guest speaker from a leading auction house. From Banksy to Brexit, they draw upon their experience and consider trends in relation to probate valuations in the art market. [Available to listen here.](#)



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