

# GUIDE TO TAX FOR PERFORMING ARTS INDUSTRY PROFESSIONALS



A tax and self-assessment guide for ...

- Performing artists
- Performance practitioners
- Actors
- Musicians

## IN THIS GUIDE

- Overview of taxes for performing artists – what you need to know.
- Tips for filling in your Self-Assessment Tax Return
- Tax deductions and allowable expenses list for performing artists.
- Where to get more advice

## WHAT THIS GUIDE IS AND ISN'T

This is a guide to one of two things that are certain. For help with the other, consult Benjamin Franklin.

This guide introduces tax to those in the performing arts industry who are unfamiliar with it and to give some guidance to anyone completing a Self-Assessment Tax Return.

Individual circumstances can vary widely, and this document only gives a broad overview, not specific tax advice. Please note that the information given below is based on the current tax system and details of rates and allowances may change from time to time.

For more personal advice from experts including a specialist accountant, email [dean@jozara.co.uk](mailto:dean@jozara.co.uk) or [join Jozara](#) for a full range of performance, career and finance support.



## CONTENTS

In this guide.....	2
What this guide is, and what it isn't .....	2
Overview of taxes for performing artists .....	4
Ways of Paying Income Tax .....	4
The Self-Employed and Freelance workers .....	4
Filling in a Self-Assessment Tax Return .....	5
Tax deductions and allowable expenses.....	8
Join Jozara to learn more and sort your taxes.....	10



Supporting performance professionals

# OVERVIEW OF TAXES FOR PERFORMING ARTISTS

Let's get down to it.

When people ask us about tax, they are generally referring to Income Tax. As the name suggests, Income Tax is a tax on income (who'd a guessed?)

## WAYS OF PAYING INCOME TAX

Those with a 'normal' job, being paid through PAYE (Pay as You Earn), pay income tax effortlessly every time a payslip is generated by their employer; the payslip itemises taxes paid alongside other details of how the wage or salary has been calculated. If your only income is from PAYE you will not (usually) need to complete a Self-Assessment Tax Return.

Directors of a limited company should refer to the company accountant in respect of taxes. This guide does not concern itself with the complexity of Director's taxes.

## THE SELF-EMPLOYED AND FREELANCE WORKERS

The self-employed and freelancers pay income tax based on an annual Self-Assessment Tax Return.

If you are self-employed or a freelance worker, you should complete an annual Self-Assessment Tax Return. This is a declaration of your financial affairs that is used to produce your *Taxable Profit*.

Taxable Profit is income minus expenses

# FILLING IN A SELF-ASSESSMENT TAX RETURN

## SELF-EMPLOYED INCOME

On a Self-Assessment Tax Return, you record your income from self-employment activities in the sole-trade schedule.

You also record the expenses you incur in your Self-Employment Activities in this section...

## ALLOWABLE EXPENSES

Expenses are the costs you incur as a result of your self-employed activities as a performer, performance practitioner or anything else. Before income tax liabilities are calculated, the total amount of your expenses is deducted from your income, so it's important to remember to include all your reasonable and allowable expenses here to lower your tax bill.

Knowing what expenses you can (and importantly, cannot) deduct from your income means that you pay the correct amount of tax due; HMRC is happy and we all have our tax money invested into the NHS, schools, roads the Arts Council and the other public services the government spends it on.

Expenses are specific to each individual and will vary from year to year. As an artistic professional you are likely to incur expenses that are outside the accepted list of expenses for those in more traditional businesses, but fear not, we help you with that below. Knowing what these are is important and can save you a lot of money in tax. Remember that expenses declared on your tax return should be “wholly and exclusively” incurred as a result of your business activity.

## OTHER INCOME

In addition to self-employment, you may have other sources of taxable income such as:

- Wages received under a PAYE employment (if you are both employed and self-employed)
- Dividends received from any shares you may own (if dividends are more than £2,000)
- Bank interest (if it adds up to more than £1,000)

These are recorded in separate schedules on the Self-Assessment Tax Return. Dividends and interest should be declared even if they are below the taxable threshold.

## ANNUAL ALLOWANCE

Every individual has an annual personal allowance. This is an amount that can be earned before any tax is due.

The current annual allowance is £12,570, so if your taxable income is below this figure, no income tax will be due. You can currently transfer £1,260 of your personal allowance to and from your spouse or civil partner.

## THE CALCULATION

When you complete your Self-Assessment Tax Return online, the calculation of tax due is done for you. You just need to ensure that you have filled in all the boxes correctly.

*The calculation is:*

Taxable income = Income - allowable expenses + other income - annual allowance

Tax due = taxable income \* Income tax rate (currently 20% at basic rate)

## NATIONAL INSURANCE CONTRIBUTIONS

In addition to income tax, National Insurance Contributions are also due on taxable income. There are separate and different annual allowances and rates for National Insurance Contributions. On completion of an online Self-Assessment Tax Return, the amount of National Insurance Contribution will be calculated.

Find out more on this, including the current rate at [www.gov.uk/national-insurance](http://www.gov.uk/national-insurance).

# TAX DEDUCTIONS AND ALLOWABLE EXPENSES

## ADMINISTRATION AND BUSINESS COSTS

- Agent's commission
- DBS Checks
- Accountant's fees
- Subscriptions to professional organisations such as Equity and Jozara
- Subscriptions to industry magazines and forums
- PRS fees & Royalties
- Photocopying
- Postage
- Stationery, advertising, brochures and programmes
- Internet connection
- Business mobile
- Proportion of business use of landline telephone
- Photographs, promotional videos and headshots

## ACTIVITY BASED EXPENSES

- Hire of rehearsal studio and performance venue
- Dental work beyond the normal needs of health
- Deputies and accompanists (exclude deputies for an employment)
- Wardrobe
- Laundering and dry cleaning
- Research assistance and materials
- Tickets for cinema, concerts, opera, theatre for research
- Stage appearance expenses such as performance specific contact lenses or glasses; these must not be your everyday eyewear
- Hairdressing, cosmetics, make up remover

## BODY, HEALTH & WELLBEING

- Chiropody
- Throat spray and lozenges
- Fitness costs if related specifically to a role
- Physical treatments related to performance activities

## EQUIPMENT



- Bulbs & fuses
- Locks & keys
- Plugs & leads
- Computer consumables and external hard drives used for back-ups
- Software licence fees
- Recording equipment
- Musical instrument insurance

## MOTORING EXPENSES - CAR OR MOTORCYCLE

- Log the total business mileage for each vehicle
- Breakdown subscription/insurance
- Car hire
- Fuel allowance paid to colleagues
- Vehicle repairs, servicing, MOT and top-up fluids
- Motor insurance
- Parking fees for business activities
- Toll charges
- Ferries
- Fuel
- Road fund licence (aka. road tax)
- Bicycle repairs, maintenance, consumables and insurance

## TOUR AND OTHER TRAVEL EXPENSES

- Hotel accommodation on tour
- Tour luggage and toiletries
- Subsistence – you are allowed to claim the cost of all meals when on overseas engagements. Only claim the cost of the evening meals when on tour in the UK and daytime meals incurred on business travel
- Travel insurance and visas
- Travel cancellation fees

## REMEMBER, IT'S JUST A GUIDE.

To repeat my warning, this document is intended only as a guide; if you have any questions about any of your expenses you should consult an accountant or speak to a member of the Jozara team who will be able to help.

## JOIN JOZARA TO SORT YOUR FINANCES & MORE

Build a financially rewarding career while focusing on your art with expert financial support and guidance from Jozara.

### GET EXPERT ADVICE IN PERSONAL MENTORING SESSIONS

Get 1-2-1 advice from a professional business consultant and a successful creative director and lecturer, as well as our in-house accountant.



### COMPLETE YOUR SELF-ASSESSMENT WITH EXPERT HELP

When that time of year rolls around, get your self-assessment done in our annual complimentary workshop with a specialist performing-arts accountant.

### JOIN EXCLUSIVE SEMINARS ON FINANCE, CAREER & MORE...

Join a range of regular seminars on performance, business, finance and career development in the performing arts, including "Introduction to taxes".

### PAY WHAT YOU FEEL FOR MEMBERSHIP ...

Pay whatever you feel our support is worth, or whatever you can for membership and get real value.

Follow the link below to start your Jozara journey today.

[JOIN JOZARA](#)