

key expenses

CONTINUING EDUCATION:

Educational expenses are deductible under either of two conditions: (1) your employer requires the education in order for you to keep your job or rate of pay; or (2) the education maintains or improves your skills in the entertainment profession. The costs of courses that are taken to meet the minimum requirements of a job, or that qualify you for a new trade or business, are NOT deductible.

PROMOTIONAL EXPENSES & SUPPLIES:

Generally, to be deductible, items must be ordinary and necessary to your profession as an entertainer. Record separately from other supplies items costing more than \$100 and having a useful life of more than one year. These items must be reported differently on your tax return than other recurring, everyday business expenses.

If you incur expenses while looking for a job in your entertainment field, they may be deductible. You do not actually have to obtain a new job in order to deduct the expenses. Out-of-town job-seeking expenses are deductible only if the main purpose of the trip is to job search, not pursue personal activities.

TELEPHONE EXPENSES:

The basic local telephone service costs of the first telephone line provided in your home are not deductible. However, toll calls from that line are deductible if the calls are business-related. The costs (basic fee and toll calls) of a second line in your home are also deductible if the line is used exclusively for business.

AUTO TRAVEL:

Your auto expenses are based on the number of qualified business miles you drive. Expenses for travel between business locations are deductible; include them as business miles. Expenses for your trips between home and a permanent work location, or between one or more regular places of work, are COMMUTING expenses and are NOT deductible.

Document business miles in a record book by the following: (1) give the date and business purpose of each trip; (2) note the place to which you traveled; (3) record the number of business miles; and (4) record your car's odometer reading at both the beginning and end of the year. Keep receipts for all car operating expenses – gas, oil, repairs, insurance etc. – and of any reimbursement you received for your expenses.

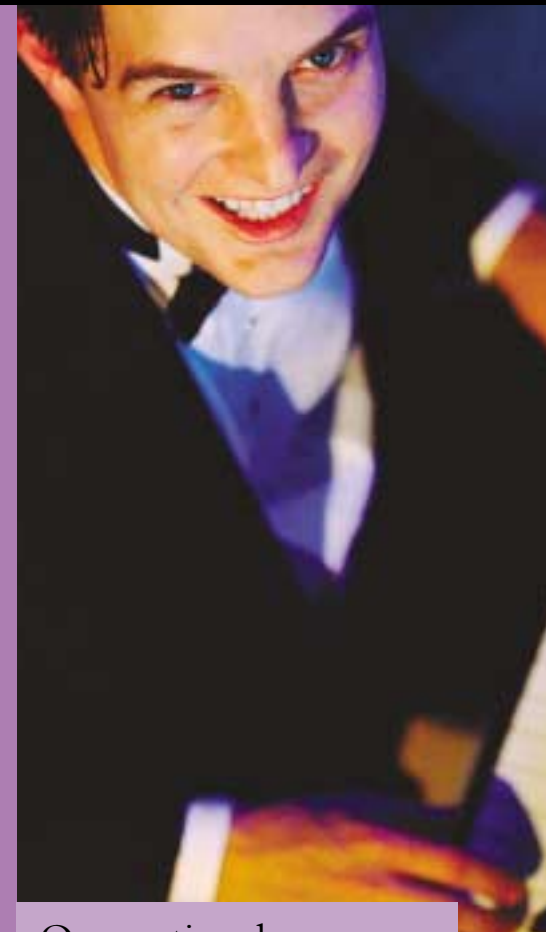
OUT-OF-TOWN TRAVEL:

Unreimbursed expenses accrued when traveling away from "home" overnight on job-related trips are deductible. Your "home" is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips and miscellaneous items like laundry, valet etc.

Document away-from-home expenses by noting the date, destination and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses - lodging, public transportation, meals etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all of the information in a timely diary. You must keep track of the full amount of meal and entertainment expenses even though only a portion of the amount may be deductible.

EQUIPMENT PURCHASES:

Equipment purchases such as musical instruments or telephone answering machines are shown differently on your tax return than are general job-related supplies. Keep documentation for these items separate from everyday expenses so that they may be easily identified when your return is prepared.



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The information provided in this brochure is an abbreviated summary of the rules for the job-related expenses applicable to educators. For additional details as to specific business expenses, the records required and the various governmental regulations, consult the firm providing this brochure.

introduction

In order to deduct expenses in your trade or business, you must show that the expenses are "ordinary and necessary." An ordinary expense is one that is customary in your particular line of work. A necessary expense is one that is appropriate but not necessarily essential in your business. The application of these terms to you relies heavily on the "facts and circumstances" of your unique situation.

Tax Deductions for: Entertainers

AUTO Travel:

<i>Audition Travel (mi)</i>
<i>Business Meetings (mi)</i>
<i>Continuing Education (mi)</i>
<i>Job Seeking (mi)</i>
<i>Out-of-Town Business Trips (mi)</i>
<i>Purchasing Job Supplies & Materials (mi)</i>
<i>Professional Society Meetings (mi)</i>
<i>Parking Fees (\$)</i>
<i>Tolls (\$)</i>
Other: _____

CONTINUING Education:

<i>Coaching Expenses</i>
<i>Dance Training</i>
<i>Music - Arrangements</i>
<i>Tapes, Recordings</i>
<i>Training</i>
<i>Rents - Rehearsal Hall</i>
<i>Tickets - Performance Audit</i>
<i>Voice Training</i>
Other: _____

PROMOTIONAL Expenses:

<i>Audition Tapes & Videos</i>
<i>Business Cards</i>
<i>Film & Processing</i>
<i>Mailing Supplies - Envelopes etc.</i>
<i>Photos - Professional</i>
<i>Portfolio Expenses</i>
<i>Resumé</i>
Other: _____
Other: _____

TELEPHONE Expenses:

<i>Cellular Calls</i>
<i>Fax Transmissions</i>
<i>Paging Service</i>
<i>Pay Phone</i>
<i>Toll Calls</i>
Other: _____

SUPPLIES & Expenses:

<i>Alterations - Repairs (costumes/wardrobe)</i>
<i>Cleaning (costumes/wardrobe)</i>
<i>Commissions - Agent/Manager</i>
<i>Costumes - Wardrobe (special)</i>
<i>Dues - Union & Professional</i>
<i>Gifts - Business</i>
<i>Hair Care - Wigs & Supplies (special business)</i>
<i>Insurance - Equipment</i>
<i>Interest - Business Loans</i>
<i>Makeup - Cosmetics (special business)</i>
<i>Manicure (special for hand inserts etc.)</i>
<i>Meals - Business (enter 100% of cost)</i>
<i>Office Supplies</i>
<i>Photocopy - Scripts, etc.</i>
<i>Postage</i>
<i>Props, Stunt Supplies</i>
<i>Publications - Trade</i>
<i>Rents - Office, Storage etc.</i>
<i>Rents - Equipment, Costumes etc.</i>
<i>Repairs - Equipment</i>
<i>Secretarial</i>
<i>Tools</i>
Other: _____
Other: _____

EQUIPMENT Purchases:

<i>Answering Machine</i>
<i>Amplifiers</i>
<i>Audio Systems</i>
<i>Musical Instruments</i>
<i>Pager</i>
<i>Recorder</i>
<i>Speaker Systems</i>
Other: _____
Other: _____
Other: _____
Other: _____
Other: _____

OUT-OF-TOWN Travel:

<i>Airfare</i>
<i>Bridge & Highway Tolls</i>
<i>Bus & Subway</i>
<i>Car Rental</i>
<i>Laundry</i>
<i>Lodging (do not combine with meals)</i>
<i>Meals (do not combine with lodging)</i>
<i>Parking</i>
<i>Porter, Bell Captain</i>
<i>Taxi</i>
<i>Telephone Calls (including home)</i>
<i>Train</i>
Other: _____
Other: _____
Other: _____
Other: _____