

ARTISTS TAXES

by

EMPIRE TAX PREP

www.empiretaxprep.com

***This handout contains portions from the complete tax packet. The complete tax packet may be downloaded at www.empiretaxprep.com**

FREQUENTLY ASKED QUESTIONS...

What are “average” expenses?

There are no averages. People who have new headshots done frequently will have much higher photography expenses than someone who hasn't changed their headshot in years. Some people make a habit of entertaining their agents and managers whereas others would never dream of doing that. You must be able to prove every expense that you have used as a deduction if you were to be audited. But by all means, if you have the expense I want you to take the deduction. If you don't have the receipt (or other proof,) I may be able to help you find a way to prove the expense.

What are legitimate deductions?

Essentially any expense you make specifically for and because of your career can be written off. BUT, if an expense can be considered personal as well, you may have trouble with the deduction.

How can I prove my deductions?

The IRS says, “You generally must have documentary evidence, such as receipts, canceled checks, or bills, to support your expenses.” The IRS also says, “You cannot deduct amounts that you approximate or estimate.” Just get into the habit of keeping ALL of your receipts and tax records and then storing them in a safe place. If there might be any question as to a deduction, just keep the receipt.

Write down your appointments, meetings, classes and auditions for public transportation/mileage purposes and written documentation. If you take any trip for business, write it down in a standard place and don't lose it. With Google Maps you no longer have to keep track of every mile but you must keep a written log of your trips and appointments. Those records also validate your expenses.

Be sure to keep all of your payroll records and store them together for easy access. If you receive numerous checks from a single employer, store them in chronological order. Regularly (every few months) compare your check stubs against the year to date totals to make sure you have received all of your earnings, especially with residuals. In other words, if you get a new check for \$500, the amount of the “Year To Date” total should increase \$500 from the “YTD” on the previous pay stub. If it has increased by more than that amount, you are missing a check.

Keep everything together, perhaps in something as simple as a cardboard box, or if you want to get fancy, an accordion file or file cabinet. But get into the habit of keeping all your records!

Employee's Withholding Certificate

▶ **Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.**
 ▶ **Give Form W-4 to your employer.**
 ▶ **Your withholding is subject to review by the IRS.**

2020

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

**Step 2:
Multiple Jobs
or Spouse
Works**

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld ▶

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____		
	Multiply the number of other dependents by \$500 ▶ \$ _____		
	Add the amounts above and enter the total here	3	\$ _____
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$ _____
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$ _____
	(c) Extra withholding. Enter any additional tax you want withheld each pay period	4(c)	\$ _____

**Step 5:
Sign
Here**

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

▶ _____ ▶ _____
Employee's signature (This form is not valid unless you sign it.) **Date**

Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)

Filing Status

- Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)

Check only one box.

If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Form fields for personal information: Your first name and middle initial, Last name, Your social security number, Spouse's social security number, Home address, Apt. no., Presidential Election Campaign, City, town or post office, state, and ZIP code, Foreign country name, Foreign province/state/county, Foreign postal code.

Standard Deduction

- Someone can claim: You as a dependent, Your spouse as a dependent, Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

- You: Were born before January 2, 1955, Are blind, Spouse: Was born before January 2, 1955, Is blind

Dependents (see instructions):

Table with 4 columns: (1) First name, Last name, (2) Social security number, (3) Relationship to you, (4) Child tax credit, Credit for other dependents.

Standard Deduction for— Single or Married filing separately, \$12,200; Married filing jointly or Qualifying widow(er), \$24,400; Head of household, \$18,350; If you checked any box under Standard Deduction, see instructions.

Main income table with rows 1-11b: 1 Wages, salaries, tips, etc.; 2a Tax-exempt interest; 3a Qualified dividends; 4a IRA distributions; c Pensions and annuities; 5a Social security benefits; 6 Capital gain or (loss); 7a Other income from Schedule 1, line 9; b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income; 8a Adjustments to income from Schedule 1, line 22; b Subtract line 8a from line 7b. This is your adjusted gross income; 9 Standard deduction or itemized deductions (from Schedule A); 10 Qualified business income deduction; 11a Add lines 9 and 10; b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

Form 1040 (2019)

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total		12b
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total		13b
14	Subtract line 13b from line 12b. If zero or less, enter -0-		14
15	Other taxes, including self-employment tax, from Schedule 2, line 10		15
16	Add lines 14 and 15. This is your total tax		16
17	Federal income tax withheld from Forms W-2 and 1099		17
18	Other payments and refundable credits:		
a	Earned income credit (EIC)	18a	
b	Additional child tax credit. Attach Schedule 8812	18b	
c	American opportunity credit from Form 8863, line 8	18c	
d	Schedule 3, line 14	18d	
e	Add lines 18a through 18d. These are your total other payments and refundable credits		18e
19	Add lines 17 and 18e. These are your total payments		19

• If you have a qualifying child, attach Sch. EIC.
 • If you have nontaxable combat pay, see instructions.

Refund

Direct deposit? See instructions.

20	If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid		20
21a	Amount of line 20 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>		21a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
22	Amount of line 20 you want applied to your 2020 estimated tax	22	

Amount You Owe

23	Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions		23
24	Estimated tax penalty (see instructions)	24	

Third Party Designee

(Other than paid preparer)

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. **Yes**. Complete below. **No**

Designee's name	Phone no.	Personal identification number (PIN)
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Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name	Phone no.			
Firm's address	Firm's EIN			

SCHEDULE 1
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ **Attach to Form 1040 or 1040-SR.**

▶ **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2019
Attachment
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶		
3	Business income or (loss). Attach Schedule C	3	
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income. List type and amount ▶	8	
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	9	

Part II Adjustments to Income

10	Educator expenses	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11	
12	Health savings account deduction. Attach Form 8889	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13	
14	Deductible part of self-employment tax. Attach Schedule SE	14	
15	Self-employed SEP, SIMPLE, and qualified plans	15	
16	Self-employed health insurance deduction	16	
17	Penalty on early withdrawal of savings	17	
18a	Alimony paid	18a	
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions) ▶		
19	IRA deduction	19	
20	Student loan interest deduction	20	
21	Tuition and fees. Attach Form 8917	21	
22	Add lines 10 through 21. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 8a	22	

Itemized Deductions

► Go to www.irs.gov/ScheduleA for instructions and the latest information.

► Attach to Form 1040 or 1040-SR.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

Name(s) shown on Form 1040 or 1040-SR

Your social security number

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.			
	1 Medical and dental expenses (see instructions)	1		
	2 Enter amount from Form 1040 or 1040-SR, line 8b 2	2		
	3 Multiply line 2 by 7.5% (0.075)	3		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid	5 State and local taxes.			
	a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ► <input type="checkbox"/>	5a		
	b State and local real estate taxes (see instructions)	5b		
	c State and local personal property taxes	5c		
	d Add lines 5a through 5c	5d		
	e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e		
	6 Other taxes. List type and amount ► _____	6		
	7 Add lines 5e and 6		7	
Interest You Paid Caution: Your mortgage interest deduction may be limited (see instructions).	8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box ► <input type="checkbox"/>			
	a Home mortgage interest and points reported to you on Form 1098. See instructions if limited	8a		
	b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ► _____	8b		
	c Points not reported to you on Form 1098. See instructions for special rules	8c		
	d Mortgage insurance premiums (see instructions)	8d		
	e Add lines 8a through 8d	8e		
	9 Investment interest. Attach Form 4952 if required. See instructions	9		
	10 Add lines 8e and 9		10	
	Gifts to Charity Caution: If you made a gift and got a benefit for it, see instructions.	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	
		12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	12	
13 Carryover from prior year		13		
14 Add lines 11 through 13			14	
Casualty and Theft Losses	15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions		15	
Other Itemized Deductions	16 Other—from list in instructions. List type and amount ► _____		16	
Total Itemized Deductions	17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 9		17	
	18 If you elect to itemize deductions even though they are less than your standard deduction, check this box ► <input type="checkbox"/>			

SCHEDULE C
(Form 1040 or 1040-SR)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2019
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor		Social security number (SSN)
A	Principal business or profession, including product or service (see instructions)	B Enter code from instructions ▶
C	Business name. If no separate business name, leave blank.	D Employer ID number (EIN) (see instr.)
E	Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code	
F	Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	
G	Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
H	If you started or acquired this business during 2019, check here . . . <input type="checkbox"/>	
I	Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
J	If "Yes," did you or will you file required Forms 1099? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked . . . ▶ <input type="checkbox"/>	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	
4	Cost of goods sold (from line 42)	4	
5	Gross profit. Subtract line 4 from line 3	5	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	Gross income. Add lines 5 and 6 ▶	7	

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		18	Office expense (see instructions)	18	
9	Car and truck expenses (see instructions).	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13		21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15		23	Taxes and licenses	23	
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	
b	Other	16b		b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17		25	Utilities	25	
18				26	Wages (less employment credits)	26	
19				27a	Other expenses (from line 48)	27a	
20				b	Reserved for future use	27b	
21				28	Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	
22				29	Tentative profit or (loss). Subtract line 28 from line 7	29	
23				30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
24				31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	
25				32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.		32a <input type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.

Rent
Did you pay rent for your home? Y N How much (total) for the year? _____

Adjustments to Income

	Primary	Spouse
HEALTH INSURANCE PREMIUMS, Self-paid (what you paid for coverage)		
EDUCATOR/TEACHER EXPENSES (full time teachers only)		
HEALTH SAVINGS ACCOUNT CONTRIBUTIONS		
RETIREMENT PLAN CONTRIBUTIONS (please circle) Roth IRA Sep SIMPLE/traditional IRA		
STUDENT LOAN INTEREST Y N (if YES you must bring 1098-E)		
TUITION Y N (if YES you must bring 1098-T)		
ALIMONY PAID RECEIVED _____ Ex-Spouses Soc. Sec # _____ year of divorce agreement _____		

Schedule A Deductions

If you are filing jointly, please combine these expenses.

A-1	MEDICAL EXPENSES not reimbursed by insurance (medical, dental, eye glasses, eye exams, therapists, medicine part B, medical policy, payments, RX, ambulance, parking, etc.) MUST be medically necessary. DO NOT INCLUDE HEALTH INSURANCE PREMIUMS HERE - SEE ABOVE.	
A-5	SALES TAX on any major purchases (generally over \$1000)	
A-6	REAL ESTATE TAXES	
A-7	DMV REGISTRATION see your Vehicle Registration renewal notice	
A-10	HOME MORTGAGE INTEREST	
A-13	PRIVATE MORTGAGE INSURANCE	
A-16	CHARITABLE CONTRIBUTIONS: MONEY must be able to validate ANY amounts with bank receipts. Please list organizations and amounts on a separate sheet or blank area on this packet.	
A-17	CHARITABLE CONTRIBUTIONS: GOODS (furniture, clothing, etc.) If amount exceeds \$500 please provide organization name, address and donation date.	
A-22	TAX PREP FEES to prepare taxes LAST YEAR Please... do not ask us to look this up for you.	
A-23	INVESTMENT EXPENSES & CERTAIN LEGAL FEES for business purposes only	
A-28	MISC DEDUCTIONS (gambling losses, only to the extent of gambling winnings, etc.)	

NEW - Did you sell, receive, send or exchange any VIRTUAL CURRENCY IN 2019? Y N
If yes, you will need to provide us with the gross proceeds, cost basis and holding periods.

WARNING: Are you sure you have received all of your tax forms?

Make sure you have ALL of your forms BEFORE you request an appointment.

If you moved, be sure your employers have the new address - *not just the unions.*
Compare your check stubs against the W-2's and 1099's. You may find that you are missing a form or that the amounts are wrong. Always check against your pay stubs!

PERFORMER EXPENSES
If you produced a film/play, please use the INDEPENDENT/SELF-EMPLOYED worksheet on page 11.

	Primary	Spouse	Leave Empty
C-8	ADVERTISING & PUBLICITY Photos, Resumes, Postcards, Video Reel, Voice Over Reel, Demo, Website, etc.		
	GIFTS FOR BUSINESS Limited to \$25 Per Person Year		
C-10	AGENTS' COMMISSION & MANAGERS' FEES		
	CASTING REGISTRIES Actor's Access, CastingAbout, IMDb etc. or Theater Company Dues		
C-18	OFFICE SUPPLIES Stationery, Postage, Ink, etc.		
C-20B	STUDIO RENTAL/ BUSINESS PROPERTY RENTAL		
C-21	MAINTENANCE OF PROFESSIONAL COSTUMES not general street wear		
	REPAIRS AND MAINTENANCE OF EQUIPMENT		
C-22	PURCHASE OF PROFESSIONAL COSTUMES Nurse, Police, Clown, etc. not general street wear		
	MAKE-UP HAIR CARE & NAILS - Tied to work only, not general street use Professional Performance Supplies, Photo Sessions, Specific Job Requirements--i.e., Hand Model, there is no "maintenance expense" or everyday usage allowed		
	SUPPLIES FOR RESEARCH Props, Sheet Music, Books, Tapes, Scripts, etc.		
C-25	CALLING SERVICE for Background Actors		
C-27	COACHING/LESSONS Acting and Dance Classes, Casting Dir. Workshops, etc.		
	TRADE PUBLICATIONS Backstage, Hollywood Reporter, Variety, etc.		
	AUDITION EXPENSE & ACCOMPANIST Audition costs, Sides, etc.		
	OTHER EXPENSES		
NO C	UNION DUES & INITIATION FEES (include 2% AEA dues)		
	OTHER		
	please SUB TOTAL		
C-25	HOME TELEPHONE/FAX Business Calls Only, Call Waiting		
	CELL PHONE - Please list the TOTAL expense for each person to the RIGHT business % primary _____ business % spouse _____		
	INTERNET - Please list the TOTAL expense for each person to the RIGHT business % primary _____ business % spouse _____		
C-27	RESEARCH / VIEWING Expenses - Theater, Movies, Netflix, Hulu, Amazon Prime, Film Societies - for educational purposes only, must be documented business % primary _____ business % spouse _____		
	CABLE/SATELLITE/TV - for educational purposes only, must be documented business % primary _____ business % spouse _____		
	TOTAL _____		

