

# Taxation and the Artist

# Overview

- Categories of work that qualify
- How do you apply
- Self – Assessment Process
- ROS and filing your return

# Artists' Exemption Relief

# Introduction

- Exemption from Income Tax on profits earned by writers, composers, visual artists and sculptors from the publication, production or sale of certain works.
- Up to a maximum of €50,000 per annum tax free.
- 5 Categories of work qualify

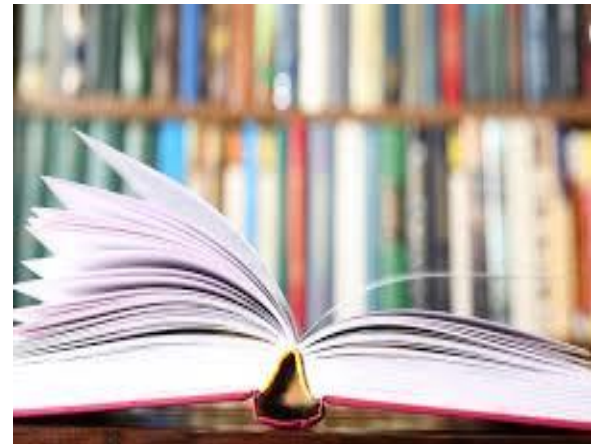


# Categories of Work that qualify

- A book or other writing
- A play
- A musical composition
- A painting or other like picture
- A sculpture

# A Book or Other Writing

- Fiction
- Certain non-fiction works
  - Arts subject matter
  - Biography/Autobiography
  - Heritage
  - Research from archives
- Poetry



# A Book or Other Writing (continued)

## Exclusions

- School/College books
- Trade or Business books
- Journalism – print and digital
- Advertising or publicity material

# A Play

## ■ Script Writing for Plays, Films and TV Shows



EXT. HOUSE - EVENING

A quaint, 70's style house in suburban Pittsburgh.

A sign indicates that the house has recently been "sold."

INT. BEDROOM - EVENING (PITTSBURGH)

We take in the bedroom first. It doesn't take long.  
Four white walls. New carpet. A few MOVING BOXES.

A bare mattress rests on the floor, dead center.

WOMAN (O.S.)

You promise you like your gift?

MAN (O.S.)

The towel? It's absolutely terrible.

# A Musical Composition

- Lyrics/Compositions written or composed by the artist
- Includes royalties from sales and airplay



# A Musical Composition

## Exclusions

- Royalties from the performance of the work
- Income from concerts including merchandising, ticket sales etc.
- Arrangements and adaptations of musical compositions by other composers.
- Compositions for advertising or publicity purposes, e.g. jingles

# A Painting or Other like Picture

- Paintings and drawings
- Sketches
- Multi medium
- Fine art prints
- Illustrations
- Photography



# A Painting or Other like Picture

## Exclusions

- Reproductions
- Material for advertising, publicity or information purposes.
- Works which are primarily of record e.g. photo journalism
- Decorative works

# A Sculpture

Unique - One off items

Excludes

- Reproductions
- Works that are primarily functional in nature.  
i.e. bowls, vases, etc



# Other Qualifying Exempt Income

- Advance Royalties in certain circumstances
- Arts Council Bursaries and residencies directly linked to qualifying works
- Income from abroad from qualifying works.

# Additional Information

- Exemption applies for the year in which an application is made and future years
- Generally the exemption applies to any future qualifying works the artist may produce, so there is no need to re-apply every year or every time a new work is produced.
  - unless the artist changes from one category of work to another.
  - In the case of non-fiction books, it is necessary to re-apply for each new work

# How do you apply

# Artists Exemption CLAIM

**[COMPLETE IN BLOCK CAPITALS]**



Claim under Section 195 Taxes Consolidation Act 1997 that a particular work which I have written, composed or executed should be determined by the Revenue Commissioners to be a work having cultural or artistic merit.

**Name of Claimant** \_\_\_\_\_  
*(including title: Mr., Mrs., Miss., Ms., etc.)*

|                                           |                                                        |
|-------------------------------------------|--------------------------------------------------------|
| <b>Address</b><br>_____<br>_____<br>_____ | <b>Country of Residence</b><br>_____<br>_____<br>_____ |
|-------------------------------------------|--------------------------------------------------------|

|                                                                                                                                                          |                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>Telephone No.</b> _____<br><br><b>E-mail Address</b> _____<br><br><b>Claimant's PPS No.</b> [ ][ ][ ][ ][ ][ ][ ][ ]<br><br><b>Tax District</b> _____ | <b>Name &amp; Address of Tax Agent (if any)</b><br>_____<br>_____<br>_____<br>_____ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

**Category/categories in respect of which the claim is being made:**  
(Tick ☒ the appropriate category / categories and enclose supporting documentation)

|                                                      |                                                               |
|------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> (a) a book or other writing | <input type="checkbox"/> (d) a painting or other like picture |
| <input type="checkbox"/> (b) a play                  | <input type="checkbox"/> (e) a sculpture                      |
| <input type="checkbox"/> (c) a musical composition   |                                                               |

**Supporting Material:**

(a) **a book or other writing** – three published copies of the book or relevant information and links in the case of ebooks;  
If the work is a book or other writing, state whether you consider it to be fiction or non-fiction  
\_\_\_\_\_

A non-fiction book or other writing must come within the categories of work detailed in paragraph 7(2) of the *guidelines* which govern the artists exemption scheme. Please state within which category in paragraph 7(2) of the guidelines that you consider the book or other writing comes within \_\_\_\_\_

(b) **a play** – a copy of the script together with a signed copy of the production contract,  
 (c) **a musical composition** – CD's on which claimant is accredited with the music/lyrics, or relevant information and links in the case of downloads,  
 (d) **a painting or other like picture** – six good quality photographs of work and a brief CV of artistic career to date,  
 (e) **a sculpture** – as at (d) above.

- Submit Artist 2 Claim Form, sample of work and supporting materials
- Submit by Email or by Post.
- Further information on the scheme available on [Revenue.ie](https://www.revenue.ie)

# Publication and Appeals

- It is a condition of the scheme that all individuals who make successful applications will have details published on the Revenue website.
- If an application is not successful the individual may appeal that decision.

# Tax Returns

- Income of artists is treated the same way as other self-employed income.
  - All individuals claiming the Artists Exemption must be registered for self assessment Income Tax
- Annual tax return must be made and the exempt artists income included on the return.
- All returns must be filed electronically via Revenue's online service
- Tax is to be paid in the normal way on any amount over the €50,000 exemption.
- The artists exemption only covers tax, so USC and PRSI is still payable on the full amount earned

# Self-Assessment & ROS

# Principles of Self-Assessment

- file your return for previous year (Form 11)
- make a self-assessment for that year
- pay the balance of tax for that year
- pay preliminary tax for the current year
- before 31 October in the year after the year to which the return relates.

# Make your self-assessment

- The Form 11 on ROS will have a calculation of your liability
- To make your self-assessment all you need to do is to agree with these figures.
- You do not need to make any calculation of Income Tax, PRSI or USC.
- If you do not agree with the ROS calculation, you will have to make your own assessment.

# Keeping Records

- If you run a business, you must keep certain records for tax purposes.
- These confirm information contained in your tax returns
- You must keep the original of these documents for six years

# Employing People

- If you employ someone you will deduct Income Tax, PRSI and USC from your employees' gross pay
- You report your employee's pay and deductions to Revenue

# Claiming Expenses

- the purchase of goods for resale
- employees' pay
- rent and bills for your business premises
- running costs for vehicles or machines that you use in your business
- lease payments for vehicles or machines that you use in your business
- accountancy fees
- interest payments for money you borrowed to finance your business.

# Expenses Not Allowed

- Clothing (except protective clothing)
- Your own pay (Drawings)
- Business entertainment expenses
- Your own food and travel (see website for exceptions)
- Money spent on something for business and private use eg phone bills, motor expense, rent, etc (private element not allowed)

# Capital Allowances

- claim certain costs and expenditure against profits
- calculated on the net cost of the business asset
- plant and machinery, motor vehicles, computer software
- 12.5% over eight years

# Mandatory e-Filing

- electronic filing of returns and payments uses the [Revenue Online Service \(ROS\)](#)
- pay tax liabilities
- file tax returns
- access your tax details
- claim repayments
- The ROS facilities are available 24 hours a day, seven days a week, 365 days a year.

# Register for tax as Sole Trader

- Use you PPSN
- Registering online is the fastest
- Register for Income Tax in myAccount
- Register for ROS
- Then you can register for any other tax

# Register for ROS

- **Step 1**
- Apply for your ROS Access Number (RAN)
- **Step 2**
- Apply for your Digital Certificate
- **Step 3**
- Download and Save your Digital Certificate

# Manage your bank accounts

The service provides for the management of three account types:

- ROS Debit Instruction (RDI)
- Direct Debit Instruction (DDI)
- Electronic Funds Transfer (EFT)

# Manage your tax registrations

- register a new business for a tax
- register an existing business for additional taxes
- cancel any or all tax registrations for an existing business
- re-register for a tax
- register a partnership or a trust
- nominate an agent to one of your tax registrations. This is for ROS customers only.

# MyEnquiries

- MyEnquiries is a secure online service that allows you to send and receive correspondence to and from Revenue.
- To use the service, you must be registered for MyAccount or ROS.
- Business customers who have a ROS digital certificate can access the service through ROS, using the 'My Services' tab under 'Other Services'

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