



online tax
vTax Australia



TAX TIPS

For Media Professionals & Performers

Presented by Nick Britton



online tax
vTax Australia



Nick Britton

www.vtax.net.au

Acting – 14 years

Production Accountant -10 years

Tax Accountant – 7 Years

Income v Taxable Income

Tax is paid on Taxable Income.

$$\text{Taxable Income} = \text{Income} - \text{Deductions}$$

Important to record all your allowable deductions to save on tax.

Deductions

Work-related expenses are expenses you incur on items used to earn your income.

To claim a deduction for a work-related expense:

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it (usually a receipt).

If the expense was for both work and private purposes, you can only claim a deduction for the work-related portion.

Deductions for Performers

<https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Performing-artists---income-and-work-related-deductions/?anchor=Deductions#Deductions>

Deductions for Media Professionals

<https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Media-professionals---income-and-work-related-deductions/>

Deductions for Media Professionals

Newspapers & Magazines

You can claim a deduction for the cost of newspapers and magazines you purchase to research a topic in your role as a media professional.

Technical or professional publications

You can claim a deduction for the cost of journals, periodicals and magazines that have content sufficiently connected to your employment as a media professional

Pay TV access payment

You can claim a deduction for the work-related portion of pay TV access payments if you can show that you're required to access pay TV as part of your work. The amount of the deduction is limited to the content that is specific to earning your income.

Seminars, conferences and training courses

You can claim for the cost of seminars and conferences that relate to your work as a media professional.

Social functions

You can only claim a deduction for the cost of attending dinners or similar functions if you are required, as a media professional, to report on that particular social function.

Deductions for Performing Artists

Agent Fees

You can claim a deduction for commissions paid to theatrical agents. You can't claim a deduction for upfront or joining fees.

Audition expenses

You can't claim a deduction for the cost of preparing for or attending auditions, as they are incurred in getting work rather than doing work.

Clothing –

Only if its protective, Occupation Specific or a uniform
Washing Wardrobe – Yes – Occupation specific

Stage blacks - No

Seminars, conferences and training courses

You can claim for the cost of seminars and conferences that relate to your work as a performing artist.

Social functions

You can't claim a deduction for the cost of any entertainment. This includes the cost of attendance at award nights, gala or social nights, concerts or other similar types of functions or events. This applies even if there's an entertainment industry connection.

You can't claim a deduction for costs incurred in attending compulsory or non-compulsory functions. This includes functions such as dinners, dances and cocktail parties. These expenses are considered to be private and not sufficiently related to the production of income. The cost of travelling to and from functions is also not deductible.

Theatre and film tickets

You can claim a deduction for the cost of theatre and film tickets if the show has content directly related to your current work. You can't claim the cost of tickets for shows you attend for general interest, entertainment or other private purposes.

Deductions for Both

Union Fees!

Travel

Up to the reasonable amount without receipts set by the ATO but you have to prove you were away overnight for work.

Just because you received an allowance (Per Diems) doesn't mean you can claim it.

<https://www.ato.gov.au/law/view/view.htm?docid=%22TXD%2FTD201811%2FNAT%2FATO%2F00001%22>

Travel

Up to the reasonable amount with out receipts set by the ATO but you have to prove you were away overnight for work.

Just because you received an allowance (Per Diems) doesn't mean you can claim it.

Car Use

Cent's per kilometer with a diary. \$0.68 per km up to 5,000kms

Or

Log Book – 12 weeks to calculate Bus/work %. Then claim % on actual expenses e.g. Fuel, Depreciation, Repairs, Insurance & Registration.

Phone & Internet

4 week diary, e.g. highlighted bill to calculate bus/work %

Working from Home

Home office expenses you can and can't claim

Expenses	Home is principal workplace with dedicated work area	Home not principal workplace but has dedicated work area	You work at home but no dedicated work area
Running expenses	Yes	Yes	No (see note 1)
Work-related phone & internet expenses	Yes	Yes	Yes
Decline in value of a computer (work related portion)	Yes	Yes	Yes
Decline in value of office equipment	Yes	Yes	Yes
Occupancy expenses	Yes	No	No

Running expenses and occupancy expenses normally done on floor space %

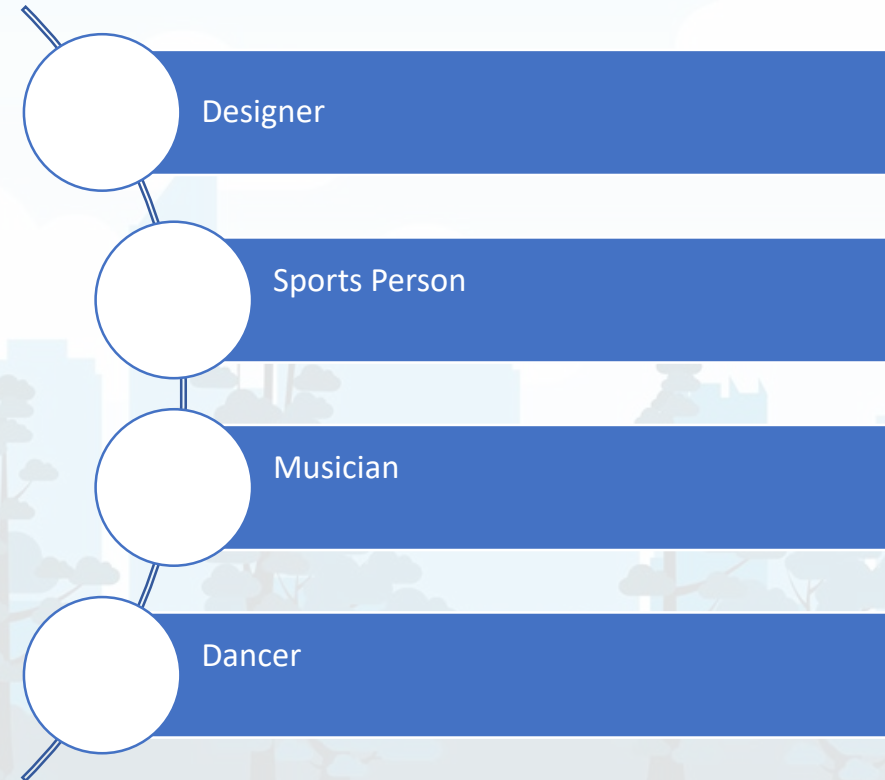
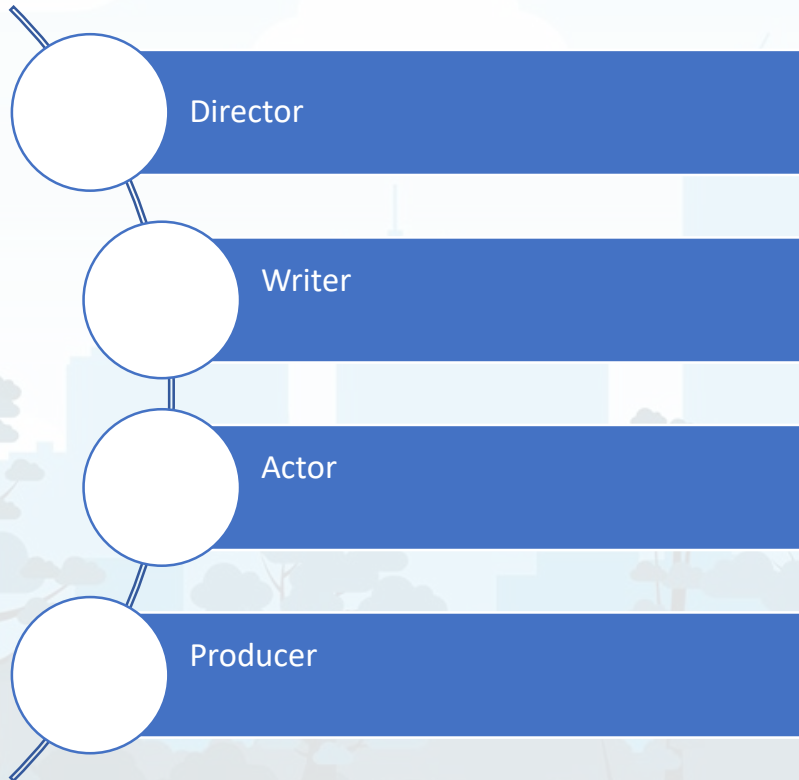
If working from home with no dedicated work area, you can still claim \$0.45 cents per hour worked from home to cover electricity etc. Diary required. e.g. rehearsing at home.

Special Professional Income Averaging

Special Professional Income averaging is available to people in a variety of creative jobs.

e.g...

Special Professional Income Averaging



Production Associate

You are a special professional if you use artistic rather than technical skills in the production.

e.g.

Costume Designer – Yes, Costume Standby - No

Tax Concessions for Special Professional Income Averaging

Australian tax legislation recognises that certain taxpayers, due to the nature of their work, can make inconsistent levels of income from year to year. In light of this, there is a concessionary tax treatment available that allows for a reduction of the otherwise unreasonable tax rates that would apply in higher income years, in effect smoothing out these income spikes to come to a fair level of tax overall.

The concession comes in the form of special tax rates applied, broadly, to a four year rolling average taxable income. It is available only to certain specified categories of income earners, known as “special professionals”

The principle behind the income averaging provisions is that those working in these fields may spend a number of years working on a project that will only realise income at a future point in time. For example, a film-maker can spend years developing and producing a work that will only make any income once it is released, or a sports person may be limited to compete in their field on an occasional basis (for example, some major sporting events only happen once every four years). In each case, the income earned is characterised by peaks and troughs.

For the purposes of income averaging for special professionals however, what the legislation refers to as “special professional income” is that which is derived from the specific category of professional activity. For an artist for example, income from the sale of paintings counts, but income from running painting workshops does not.

The benefits to an eligible individual’s tax outcome by using such income averaging provisions will typically be mostly felt in the first few years of application, and can result in significant tax savings for those years.

Special Professional Income Averaging

Example

	SPI Income	Normal Tax	SPI Tax
Year 1	\$60,000	\$11,047	\$ 0
Year 2	\$60,000	\$11,047	\$ 7,942
Year 3	\$120,000	\$31,897	\$ 26,766
Year 4	\$60,000	\$11,047	\$ 11,047
Year 5	\$60,000	\$11,047	\$ 11,047

Ignoring Medicare levy & offsets

Special Professional Income Averaging

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Ignoring Medicare levy & offsets

More Questions?

www.vtax.net.au

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* Actors, Performers, Writers & Theatre Crew save tax