

# Potential Tax Deductions for Musicians

## Meals

You work 24/7 and the phone could ring at any moment... even at your favorite restaurant. Keep track of your meals and deduct 50% of the cost.

## Business Mileage or Auto Expenses

First, pick mileage or auto expenses. Track mileage to gigs, especially when carpooling. Also includes trips that are business related (FedEx, Kinkos, to see Agent/manager/accountant, rehearsals, band meetings, etc.) Auto expenses include oil changes, repairs and maintenance.

## Work Expenses

Any music related purchases including albums, concert tickets, lessons, sheet music, books, office supplies, etc.

## Instrument Depreciation

For instruments of higher value, deduct the cost over a number of years.

## Travel expenses

When traveling far distances, deduct travel expenses including plane tickets, rental car, gas, train tickets, hotel/airbnb rooms, taxis, etc.

## Contractors

When employing musicians to play a gig, you can deduct payment to musicians for the services they perform over \$600. Don't forget to send them a 1099 at the beginning of the year and they should fill out a W-9 BEFORE you pay them. Make sure to claim the total income from the gig and keep track of payments to musicians.

## Appearance

When performing in public your appearance is crucial. Deduct haircuts, clothing, gym memberships and makeup, but only if they are specifically required for work. (Example: the gig calls for purple hair, tuxedo or to lose 20 lbs.)

## Parking & Tolls

When driving to new locations for gigs, deduct parking and tolls from your income.

## Medical Expenses

First, make sure to have insurance! You can deduct medical and dental expenses not including your insurance premium payments. Make sure to refer to your CPA or [www.irs.gov](http://www.irs.gov) for deducting medical expenses.

## Office Space

Measure the square footage of your office compared to your entire property or deduct the cost of office space rental.

## Phone & Internet

A portion of your phone and internet bills are dedicated to booking gigs, checking emails and texting the setlist right before going onstage. Deduct that portion from your income and send that setlist sooner next show.

## Memberships

This includes membership fees for Ascap, BMI, Grammys, NAMM and other associations.

## Advertising

When you're ready to treat your music like a business start deducting the cost of your website and advertising.

## Interest payments

If you have a mortgage, personal loan, car loan or student loan check with your CPA about how to deduct the interest.

## Education

Knowledge is power so keep acquiring it! Look into tuition and fees deductions, work related educational expenses and teacher educational expenses

## Taxes

That's right... you can potentially deduct property, real estate and sales taxes incurred. Refer to your CPA or [www.irs.gov](http://www.irs.gov)

## Charitable contributions

More incentive to donate! The government will reward your giving in the form of a tax deduction.

## Retirement

Certain retirement accounts allow you to deduct contributions from your income. If you don't have a retirement account, open one ASAP!

## Capital losses

You win some, you lose some. In the event your investments lose money in a taxable account you can deduct the loss and think of it as a small win.

## Tax filing expense

The portion of your taxes filed under your business allows you to deduct that percentage from the cost of filing next year. CPA fees for example.

# Insurance

Generally, you can deduct the ordinary and necessary cost of insurance as a business expense, if it is for your trade, business, or profession.

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