

Bridget Haafkens

Taxation Services

Common Expenses for Performing Artists

Advertising

You can claim a deduction for the total cost of advertising your business in the adult industry.

Agents fees

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

Audition expenses

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

Capital allowances

You can claim a deduction (called a capital allowance) for the decline in value of equipment used for work. If the equipment is also used for private purposes, you cannot claim a deduction for that part of the decline in value.

You cannot claim a deduction if the equipment is supplied by your employer or any other person.

Generally, the amount of your deduction depends on the effective life of the equipment.

Equipment costing \$300 or less

If you purchased equipment costing \$300 or less and you use it mainly for work, you can claim an immediate deduction for the work-related portion of the cost.

You cannot claim an immediate deduction if:

- the equipment is part of a set that you buy in the same income year and the total cost of the set is more than \$300 (the set rule), or
- the equipment is one of a number of identical or substantially identical items you buy in an income year and the total cost of the items is more than \$300 (the multiples rule).

Coaching classes – for example, for acting, singing and dancing

You can claim a deduction for the cost of classes taken to maintain existing specific skills or to obtain work-related specific skills. You can claim a deduction for the cost of lessons to acquire specific skills for use in a particular role or performance.

Clothing

You can only claim a deduction for the cost of clothing you use solely for earning income, including costumes and lingerie. You cannot claim a deduction for items such as dresses, skirts, blouses, trousers, shirts and shoes for everyday use.

Dance lessons

You can claim a tax deduction for the cost of classes you take to maintain your existing dance skills or to learn new dance skills.

First aid courses

You can claim a deduction for the cost of first aid training courses if you, as a designated first aid person, are required to undertake first aid training to assist in emergency work situations.

Fitness expenses

You can claim a deduction for fitness expenses if you are required to maintain a very high level of fitness and physical activity is an essential element in your work, for example, as a trapeze artist. You cannot claim a deduction for the cost of maintaining general fitness or body shape.

Gifts

You cannot claim a deduction for the cost of gifts such as flowers or alcohol for fellow performers, producers or directors as it is a private expense.

Glasses and contact lenses

You can claim a deduction for the cost of tinted contact lenses to alter eye colour or special spectacle frames required for a role.

You cannot claim a deduction for the cost of prescription glasses or contact lenses as it is a private expense relating to a personal medical condition.

Grooming

You can claim a deduction for the cost of a particular hairstyle if it is required for a role. You can claim a deduction for the cost of hairdressing specifically to maintain a required hair length or style as part of a costume for continuity purposes. You can claim a deduction for the cost of stage make-up, including the cost of cleansing materials for removing stage make-up.

You cannot claim a deduction for the cost of general hairdressing, make-up or facials.

Home office

Private study

You can claim a deduction for the additional running expenses of an office or a study at home that you use for income-producing activities. Running expenses include decline in value of home office equipment, the costs of repairs to your home office furniture and fittings, and heating, cooling, lighting and cleaning expenses. You cannot claim occupancy expenses, for example, rent, rates, mortgage interest and house insurance premiums, unless you are carrying on a business.

If your only income is paid to you as an employee, you are not considered to be carrying on a business.

Diary records noting the time the home office was used for work are acceptable evidence of a connection between the use of a home office and your work. You will need to keep diary records during a representative four-week period. For more information on what records you should keep and the calculation of home office expenses, see [Law Administration Practice Statement PS LA 2001/6 – Home office expenses: diaries of use and calculation of home office expenses](#)[External Link](#).

Place of business

You can claim a deduction for part of the running and occupancy expenses of your home if you use an area of your home as a place of business. [Taxation Ruling TR 93/30 – Income tax: deductions for home office expenses](#)[External Link](#) has information on whether or not an area set aside has the character of a place of business.

There may also be capital gains tax implications if you sell your home and it has been used as a place of business.

Insurance of equipment

You can claim a deduction for the cost of insuring the equipment you use to the extent that you use it for work.

Interest costs

You can claim the cost of interest on money borrowed to purchase work-related equipment. If the equipment was also used for private purposes, you cannot claim a deduction for that part of the interest.

Meals

You cannot claim a deduction for the cost of meals eaten during a normal working day as it is a private expense.

Motor vehicles

You can claim your motor vehicle expenses if you use your motor vehicle in the course of operating your business – for example, to travel from client to client. Unless you use your home as a place of business, you generally cannot claim the cost of travel between your home and place of work.

Phones

If you operate your business from home and you maintain only one telephone – mobile or landline – you can claim part of your telephone rental and the cost of your business phone calls.

If you use your phone – mobile or landline – solely for business (this would usually be a second phone) you can claim a 100 % deduction for its expenses.

If you use a phone for both business and private calls, you can claim a deduction for business calls and part of the rental costs. Use the following formula to work out the percentage of phone rental expenses you can claim:

Number of business calls you made and received X 100

Number of total calls made and received

You can identify business calls from an itemised phone account. If you do not have an itemised account, you can keep a record for a representative four-week period to work out a pattern of business calls for the entire year (provided you have a regular pattern of use throughout the year).

You cannot claim:

- installation or connection costs
- expenses incurred for the early cancellation of a mobile phone contract (these are not an allowable deduction because they are not incurred in gaining assessable income and are of a capital nature)
- cost of an unlisted telephone number.

Photographs

You can claim a deduction for the cost of maintaining a photographic portfolio for publicity purposes. You cannot claim a deduction for the initial cost of preparing the portfolio.

Professional library

For information about claiming deductions for the decline in value of a professional library that includes books, tapes, compact discs, records and videos containing reference material directly related to your income-earning activities, see [Capital allowances](#).

Removal and relocation

You cannot claim a deduction for the cost involved in taking up a transfer in an existing employment or taking up new employment with a different employer.

Research expenses

You can claim a deduction for the cost of researching a role or character that you have been employed to play, for example, the cost of reference material containing information on a character, era or event.

Seminars, conferences and training courses

You can claim a deduction for the cost of attending seminars, conferences and training courses that are sufficiently connected to your work activities.

Social functions

You cannot claim a deduction for the cost of attending award nights or other social events, even if there is an entertainment industry connection, as it is a private expense.

Tapes, discs, cassettes and digital media

You can claim a deduction for the work-related part of the cost of audio and video tapes (including digital video discs) and compact discs, for example, tapes used for rehearsal.

Technical or professional publications

You can claim a deduction for the cost of journals, periodicals and magazines that have a content specifically related to your employment as an employee performing artist, for example, the magazine *Encore*.

Theatre and film tickets

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

Tax agent fees

You can claim a deduction for costs you incur to prepare income tax returns and activity statements.

If you pay someone to help you complete and lodge your tax return, we recommend you use a registered tax agent. Only a registered tax agent can charge a fee to prepare and lodge your tax return, and you can only claim that fee as a tax deduction if the tax agent is registered.

Travel Expenses

You can claim a deduction for costs you incur in travel but only your airfares, taxi and accommodation and these costs must relate directly to work. If there is any personal relating to this trip it must be prorated to accommodate the personal to work related. You cannot claim food as this is a personal expense.

Union and professional association fees

You can claim a deduction for union and professional association fees. If the amount you paid is shown on your payment summary, you can use it to prove your claim. You can claim a deduction for a levy paid in certain circumstances, for example, to protect the interests of members and their jobs.

You cannot claim a deduction for:

- joining fees, or
- levies or other amounts you paid to assist families of employees suffering financial difficulties as a result of employees being on strike or having been laid off.