

Tax Deductions for Fashion Models, Entertainers & Related Fields

Use the form below to summarize and organize your tax-deductible business expenses. In order to deduct expenses in your trade or business, you must show that the expenses are “ordinary and necessary.” An ordinary expense is one which is customary in your particular line of work. A necessary expense is one which is appropriate, but not necessarily essential in your business. The application of these terms to you relies heavily on the “facts and circumstances” of your unique situation. A business expense deduction must also take into account any reimbursement you have received, or could have received for that expense from your employer or another source.

The information provided here is an abbreviated summary of the rules for business expenses applicable to fashion models and entertainers. For additional details as to specific business expenses, the records required, and the various governmental regulations, please contact us.

| Continuing Education | |
|----------------------------------|--|
| Coaching Expenses/Acting Lessons | |
| Dance Training | |
| Music - Arrangements | |
| Music - Tapes, Recordings | |
| Music - Training | |
| Rents - Rehearsal Halls | |
| Tickets | |
| Voice Training | |
| Other | |

| Promotional Expenses | |
|-------------------------|--|
| Audition Tapes & Videos | |
| Business Cards | |
| Film & Processing | |
| Photos/Composites | |
| Portfolio Expenses | |
| Other | |

| Supplies & Expenses | |
|---|--|
| Accounting Fees | |
| Alterations - Repairs (Costumes/Wardrobe) | |
| Cleaning (Costumes/Wardrobe - Special Use Only) | |
| Costumes - Wardrobe (Special) | |
| Dues - Union & Professional | |
| Exercise | |
| Gifts - Business (\$25.00 Max/Person/Year) | |
| Hair Care - Wigs & Supplies (Special Business) | |
| Insurance - Equipment | |
| Interest - Business Loans | |
| Legal Fees | |
| Makeup - Cosmetics (Special Business) | |
| Manicures (Special for hand inserts, etc.) | |
| Meals - Business (Enter 100% of cost) | |
| Office Supplies | |
| Photocopy - Scripts, etc. | |
| Props, Stunt Supplies | |
| Publications - Trade | |
| Rents - Office, Storage, etc. | |
| Repairs - Equipment | |
| Secretarial & Outside Labor | |
| Tools | |
| Commissions - Agent/Manager | |
| Other | |

| Equipment Expenses | |
|--------------------------------|--|
| Audio Systems | |
| Musical Instruments | |
| Computer Equipment | |
| Cellular Telephone and Tablets | |
| Office Equipment | |
| Other | |

Telephone Expenses

| | |
|----------------|--|
| Cellular Calls | |
| Internet Fees | |
| Landline Costs | |
| Cable | |
| Other | |

Travel - Out of Town

| | |
|-------------------------------------|--|
| Airfare | |
| Car Rental | |
| Lodging (Do not combine with meals) | |
| Meals (Do not combine with lodging) | |
| Other | |

Travel - Local

| | |
|----------------------|--|
| Auto Expenses | |
| Gas | |
| Repairs | |
| Auto Insurance | |
| Auto Lease | |
| Taxis | |
| Train | |
| Limos | |
| Parking Fees | |
| Subways & Buses | |
| Total Miles | |
| Total Business Miles | |
| Other | |

Key Strategies for Fashion Models, Entertainers and Related Fields

1. **NONRESIDENT ALIENS**

Nonresident aliens must keep track of the total number of days they are in the United States to determine their tax status. We need this information organized by listing the days that you entered and departed the country. (Please see related questions below.)

2. **CALENDAR**

It is extremely important that you keep track of your daily activities and expenses.

3. **PROMOTIONAL EXPENSES & SUPPLIES**

Generally, to be deductible, items must be ordinary and necessary to your profession as a fashion model or entertainer. Record separately from other supplies, items costing over \$500 and having a useful life of more than one year. These items must be recorded differently on your tax return than other recurring, everyday business expenses.

If you incur expenses while looking for a job in this field, they may be deductible. You do not actually have to obtain a new job in order to deduct the expenses. Out-of-town job-seeking expenses are deductible only if the main purpose of the trip is to search for a job, not to pursue personal activities.

4. **AUTO TRAVEL**

Your auto expense is based on the number of qualified business miles you drive. Expenses for travel between business locations are deductible; include them as business miles. Your trips between home and a permanent work location or between one or more regular places of work are **COMMUTING** and are **NOT** deductible.

Document business miles as follows: (1) Give the date and business purpose of each trip; (2) Note the place to which you traveled; (3) Record the number of business miles; (4) Record your car's odometer reading at both the beginning and end of the year. Keep receipts for all car operating expenses (i.e. gas, oil, repairs, insurance, etc.) and any reimbursement you received for your expenses.

5. **TRAVEL – OUT-OF-TOWN**

Unreimbursed expenses of traveling away from "home" overnight on job-related trips are deductible. Your "home" is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips, and miscellaneous items like laundry, valet, etc.

Document away-from-home expenses by noting the date, destination, and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses – lodging, public transportation, meals, etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all the information in a diary. You must keep track of the full amount of meal and entertainment expenses, even though only a portion of the amount may be deductible.

6. TELEPHONE EXPENSES

The basic local telephone service costs of the first telephone line or cell phone provided in your home are not deductible. However, calls from that line are deductible if the calls are business-related. The cost (basic fee and calls) of a second line in your home are also deductible, if the line is used exclusively for business.

7. EQUIPMENT PURCHASES

Equipment purchases such as computers, cameras or office equipment are shown differently on your tax return than are general job-related supplies. Keep documentation for these items separate from everyday expenses so that they may be easily identified when your return is prepared.

Tax-Related Issues for Fashion Models, Entertainers & Related Fields

- Do you have any foreign income?
- Did you pay any foreign taxes?
- Do you have any foreign assets totaling \$10,000 or more (bank accounts, brokerage statements, or other holdings)?
- Did you have health insurance for the entire year? If yes, then we need the amount paid during the current year. If not, we need the months you had health insurance along with the monthly payments.
- If you have New York or California income, we need the number of days spent in each state (one minute in the state counts as a day).

Tax-Related Issues for *Foreign* Fashion Models, Entertainers & Related Fields

- If you are in the United States with a work visa and here less than 183 days, we need the number of days and when you came and left the U.S. in the current year and previous two years.

