



Entertainers

New rules from April 2014

From 6 April 2014, producers engaging entertainment performance services will not be required to deduct Class 1 NICs contributions from any payments they make to you. This includes additional use payments such as royalties. The engager will make payments to the entertainer gross of tax and NICs and the entertainer must declare these earnings as part of their normal self-employed Self-Assessment return.

Please note that this guidance does not apply if you are an entertainer on an employment contract, and receive a regular salary from your engager with tax and NICs deducted at source under the Pay As You Earn (PAYE) system.

If you engage the services of entertainers

From 6 April 2014, you will not be required to operate Class 1 NICs for the entertainers you engage. If you are currently deducting employees' Class 1 NICs from the payments you make to your entertainers (including additional use payments such as royalties), and paying the respective employers' Class 1 NICs on these payments, you should continue to do so up until 5 April 2014. From 6 April 2014 however you should cease to do this.

What types of tax deductible expenses could an entertainer claim?

- Agent / Manager fees and commission
- Travel & subsistence on tour if supporting a permanent home
- Costume & Props
- Laundry & cleaning of costume & props
- Travelling and expenses attending interviews and auditions
- Postage & stationary.
- Computer consumables.
- Bank charges on a business account.
- Telephone/mobile phone charges.
- Accountancy charges.
- Equity subscriptions
- Advertising eg Spotlight and agency books
- Theatre and cinema tickets relevant to your self employment

By law you can only claim expenses that are incurred 'wholly and exclusively' for business purposes.

Remember to keep your receipts and keep records of income and expenditure