

The Ultimate Cookbook

FOR CULTURAL MANAGERS

INFOGRAPHIC
VERSION

ARTIST TAXATION IN AN INTERNATIONAL CONTEXT

Applied to Artistic Mobility

This infographic focuses on Performing Artists (entertainers) as specific tax rules apply to them when they work abroad.



It is important to be aware that the EU has only limited authority regarding income taxation.

The EU can only act when tax rule are in breach with the EU Treaty and when Member States unanimously decide to come to binding rules or guidelines.

The OECD coordinates the bilateral tax treaties with its Model Tax Convention, plus Commentary.

Article 17 of the OECD Model Tax Convention applies to 'entertainers and sportspeople'.

Article 17 is included in the majority of bilateral tax treaties.

Article 17 does not apply to administrative or support staff.

The basic principles to understand how income earned abroad is taxed

- One can only be resident in one country
- National tax rules:
 - RESIDENTS** → taxed on worldwide **INCOME***
 - NON-RESIDENTS** → taxed on the **INCOME*** earned in the source country
 - could mean double taxation !
- **Bilateral tax treaties** → aim to eliminate double taxation

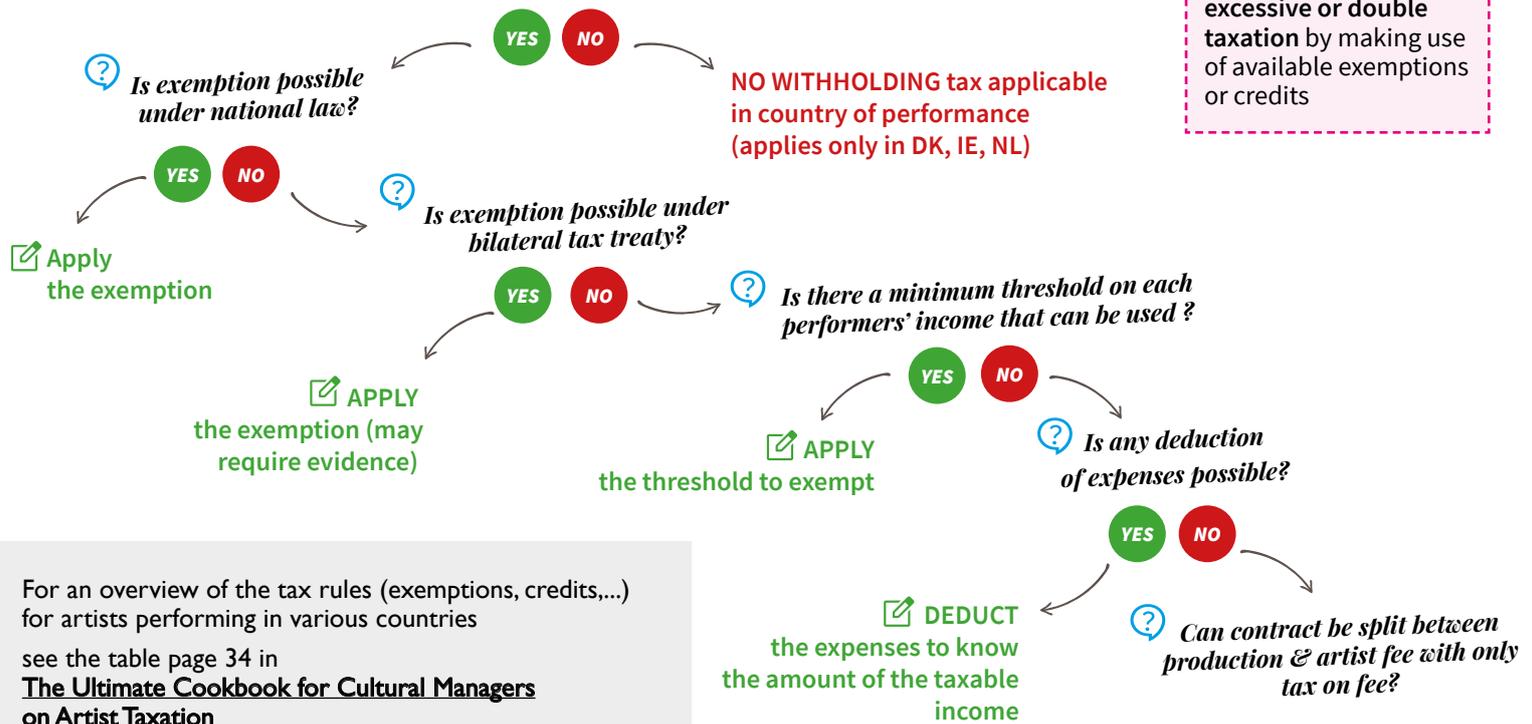
BUT! OECD Model Tax Convention: Article 17 entertainers (and sportspersons) gives the taxing right to the country of performance on any income arising from the performance or work around it, regardless to whom it will be paid (artist himself, or another person (agent, management, touring company, ...))



*INCOME:

distinct... Remuneration from Production related costs to consider exemptions (see next page)

Is there an artist withholding tax in the country of the performance?



Attention

Practical and administrative considerations

BEFORE Negotiating the contract on a performance

- ✓ Check the possible exemptions (see above) with the local organiser, a tax specialist, the tax authority in the country of performance
- ✓ The tax exemptions and level of taxable income in country of performance provide the basis for the negotiations
- ✓ Make sure to deliver proofs of evidence to obtain exemptions when possible
- ✓ Estimate the share of remuneration of artists, remuneration of other staff (technicians, admin), production expenses
- ✓ Attach an annex to the contract of the people taking part in the tour and their qualification (performing artist, other)
- ✓ Negotiate as much as possible the gross fee – if desired mention the net fee as a clarification

AFTER The performance

- 🔔 When tax has been withheld: organiser should obtain tax certificate from ministry of finance and give to the artist or group
- 🔔 The artist to provide the tax certificate received from organiser, to ministry of finance to obtain tax credit in residence country
- 🔔 The tax levied from the group in the country of performance to be deducted from the individual fees, as the artists receive a tax relief



For further information read **The Ultimate Cookbook for Cultural Managers: Artist Taxation in an international context** (update March 2021)

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