April 27, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-220, U.S. Capitol
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer, and Minority Leader McCarthy,

We write today on behalf of more than 500,000 workers in the entertainment industry. Like many during these uncertain times our workers have been devastated by the financial impact of COVID-19 with a complete shutdown of production and live performances.

As Congress works to provide relief to the nation during this unprecedented crisis, we urge you to consider the Performing Artist Tax Parity Act, H.R. 3121, a bipartisan bill introduced by Representatives Judy Chu and Vern Buchanan. The bill modernizes an existing tax deduction and allows entertainment industry workers to keep more of their hard-earned money. The update is also included in S. 3232, the Promoting Local Arts and Creative Economy Workforce Act of 2020 (PLACE Act) introduced by Senator Brian Schatz. With the deadline to file income taxes moving to July, hundreds of thousands who have not already filed their taxes could benefit if H.R. 3121 were included in any relief package.

H.R. 3121 updates the Qualified Performing Artist deduction (QPA) put into the tax code by President Reagan in 1986. The QPA was initially an important tool for artists to be able to deduct the business expenses they incur to pursue their careers. However, the QPA capped adjusted gross income at $16,000, which has not changed since enactment almost 35 years ago.

These are not celebrities on the red carpet. They are the working-class men and women in front of and behind the camera, on stage and off, who are the lifeblood of our industry. These taxpayers need tax relief now.

Unlike most other workers, entertainment industry employees can spend on average 20-30 percent of their income on industry-related expenses such as agents, managers, promotional materials, equipment, and travel. These expenses come directly out of their own pockets. In the past these expenses had been covered by miscellaneous itemized deductions. However, recent changes to the tax code increased the standard deduction and eliminated those provisions, preventing entertainment employees from deducting their ordinary and necessary business expenses. This resulted in an industrywide tax increase for working class creative professionals.

H.R. 3121 will correct that issue by raising the QPA adjusted gross income to $100,000 a year for single taxpayers and $200,000 for couples filing jointly, with a built-in phase out to transition the taxpayer out of the deduction. As the country works to reignite our economy, this deduction will be an enormous benefit to entertainment workers and aid our industry in getting up and running again.

We appreciate your efforts on behalf of America's workers and urge you to include this language in any future relief packages.

Sincerely,

Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA)
Actors' Equity Association
International Alliance of Theatrical Stage Employees (IATSE)
American Federation of Musicians
American Association of Independent Music (A2IM)
American Society of Composers, Authors, and Publishers
Berkshire Theater Group
Broadcast Music, Inc.
The Broadway League
League of Resident Theaters
Music Artists Coalition
Music Publishers Association
National Music Publishing Association
Recording Industry Association of America
The Recording Academy
Songwriters of North America
Writers Guild of America, East
Writers Guild of America West
Department for Professional Employees, AFL–CIO