



April 22, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

Dear Madam Speaker,

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 (D, CA) and Vern Buchanan (R, FL). The bill modernizes an existing tax deduction and allows entertainment industry workers to keep more of their hard-earned money. 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) that was 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 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

Department for Professional Employees, AFL-CIO