

Howland Tax Services *International*



2012 Musician's Checklist (United States)

Identification

Business name and address _____
(Your name if you don't have a separate business name) _____

Do you use the Cash or Accrual method of accounting? Cash Accrual I Don't Know

Did your music business start in 2012? Yes No

Did you "materially participate" in this business in 2012? Yes No

Income

Business income not reported on W2 or 1099-MISC _____
Income reported on W2 or 1099-MISC _____
Per diems (if claiming related travel expenses below) _____
Royalties _____
Product sales (CDs, DVDs, etc.) _____
Other income _____

Cost of Goods Sold

If you produce and sell a product (such as a CD or DVD):

Indicate inventory on Dec. 31, 2012 _____
(List each product separately) _____

Production costs in 2012 for new inventory:

Manufacturing costs _____
Wage and subcontract costs _____
Other costs _____

Expenses

It is important to have receipts or statements to document all expenses. Credit card or bank statements are generally not considered to be adequate documentation.

Musicians who have both self-employment and employment income: please separate your expenses between both types of income. It can be beneficial to claim certain employment expenses as itemized deductions on Schedule A.

Accounting, tax preparation, legal, consulting	_____
Advertising, promotion, publicity	_____
Bad debts (accrual accounting system only)	_____
Bank charges - for business bank accounts	_____
Business tax, fees, licenses	_____
Cell phone charges (airtime) - business portion only	_____
Commissions and referral fees	_____
Concert clothing - purchases	_____
Concert clothing - cleaning, alterations	_____
Convention expenses	_____
Delivery, shipping	_____
Equipment lease or rental	_____
Hairstyling, cosmetics (performers only)	_____
Insurance of business assets	_____
Interest on business loans	_____
Internet access - business portion only	_____
Maintenance and repairs	_____
Management and administration fees	_____
Meals and entertainment - enter total amounts	_____
• for documented business meetings	_____
• for business travel outside home city	_____
Music supplies (provide breakdown)	_____

Musical instrument costs (reeds, pads, accessories, etc.)	_____
Music lessons	_____
Office/studio rent	_____
Office supplies (postage, stationary, photocopying, etc.)	_____
Other supplies and materials	_____
Professional development (specify)	_____
Research costs	_____

Salaries, wages, benefits _____
 Subcontract fees (i.e. agent, accompanist, copyist) _____
 Supplies (provide breakdown) _____

 Telephone - business portion only _____
 Training courses - board, lodging, tuition (provide breakdown) _____
 Travel (not including auto expenses) _____
 Union dues, work dues, membership fees, subscriptions _____
 Utilities - not included in Business Use of Home _____
 Vehicle lease or rental _____
 Website hosting and domain name registration _____

Health insurance coverage for you, your spouse and dependants (allowable for months not eligible to participate in an employer-sponsored plan) _____

Other expenses (provide breakdown) _____

Business Use of Home

Total square footage of home _____

Square footage of area used regularly and exclusively for business purposes, including storage of equipment and inventory _____

Write down the total amounts for the home:

Mortgage interest (obtain statement from lender) _____
 Rent _____
 Insurance _____
 Home maintenance and repairs _____
 Utilities _____
 Real estate taxes _____
 Security System _____
 Strata fees _____
 Other expenses _____

Depreciation of the Home

To claim depreciation on the business area of the home, please answer the following questions:

On what date did you start using your home for business purposes?

What was the Fair Market Value of your home on that date?

What was the home's cost basis (its cost plus additions and improvements)?

What was the value of the land relative to the building?

Automobile

A. Miles driven for business in 2012

B. Commuting miles driven in 2012 (miles driven to employment)

+

C. Personal, non-commuting miles driven in 2012

+

D. Total miles driven in 2012 (A+B+C should equal D)

=

Did you acquire a new vehicle?

Yes

No

Cost of new vehicle

Make and model

Disposal of old vehicle or trade in allowance

If claiming actual expenses, write down the total expense amounts for the vehicle below. If claiming the Standard Mileage Rate, jump to "Additional information required by IRS."

Insurance

Maintenance, repairs, tires, car washes

License fees

Gas and oil

Loan interest

Auto club membership

Parking and tolls

Additional information required by IRS

- Was the vehicle available for use during off-duty hours? Yes No
- Was the vehicle used primarily by a more than 5% owner? Yes No
- Is there another vehicle available for personal use? Yes No
- Do you have evidence to support your business use? Yes No
- Is the evidence written? Yes No

Asset Purchases and Disposals in 2012

Asset purchases and disposals include items such as stereo or audio equipment, CD recordings, music books, sheet music, office/studio furniture, musical instruments, and computer hardware or software.

Please indicate your preference:

- Claim depreciation on assets to the extent that they are used for business purposes;
- Elect to take the Section 179 deduction and write off the entire cost of the assets in 2012; or
- I don't know—I have no preference.

	Purchases	Disposals
Musical instruments	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Sheet music	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Recordings	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____

Electronic equipment	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Office/studio furniture	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Computer hardware	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Computer software	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Other assets (specify)	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____
Other assets (specify)	_____	_____
Purchase or disposal date	_____	_____
Cost or proceeds	_____	_____

Anything Else?

Please list any other items related to your music business operations here:
