

# Tax information for bands and entertainers

If you're an entertainer or in a band, this factsheet will help you work out if you need to pay tax.

Bands and entertainers can start out playing for fun or as a hobby. If your band is successful, your hobby can turn into a business and you'll have legal and tax responsibilities.

## Is your entertainment activity a business?

If you entertain on a regular basis with the intention of making a profit, either as an individual or as a group, it's likely that you're in business.

If you charge for your services, the venue owner is usually required to deduct tax from payments made to you. These are known as **schedular payments**.

**Example:** Your band performs for the Big Grey hotel. You charge \$1,000 for the evening. The hotel owner/manager deducts tax of 20% (\$200) and pays your band the rest (\$800).

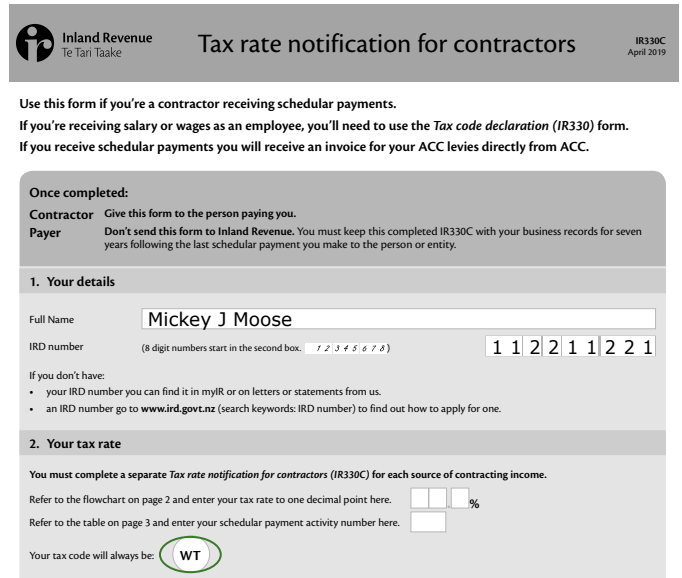
Payment can include koha, tips and payment in kind, ie, the same value of money in food, drink or other goods or services.

## What you need to know

There are a few things you need to think about and your answers will determine who's responsible for the tax on the income you receive - you or the venue owner.

- Does each band member get paid individually and meet their own costs and tax? Large groups can elect an informal leader to take care of all the business and keep a schedule of payments.
- Have you given the venue owner a completed **Tax rate notification for contractors - IR330C**? They'll use this to deduct the correct rate of tax from the payment you receive.
- Does the band trade as a partnership or a company? If it does, it should have its own IRD number and file partnership or company tax returns.

**Note:** If you (or the band) trades as a company you only need to complete a **Tax rate notification for contractors - IR330C** if you're also a non-resident entertainer, or if you're performing the work under a labour hire arrangement.



**Inland Revenue**  
Te Tari Taake

**Tax rate notification for contractors**

IR330C  
April 2019

Use this form if you're a contractor receiving schedular payments.  
If you're receiving salary or wages as an employee, you'll need to use the *Tax code declaration (IR330)* form.  
If you receive schedular payments you will receive an invoice for your ACC levies directly from ACC.

**Once completed:**  
**Contractor** Give this form to the person paying you.  
**Payer** Don't send this form to Inland Revenue. You must keep this completed IR330C with your business records for seven years following the last schedular payment you make to the person or entity.

**1. Your details**

Full Name

IRD number  1 1 2 2 1 1 2 2 1  
(8 digit numbers start in the second box: 7 2 3 4 5 6 7 8)

If you don't have:  
• your IRD number you can find it in myIR or on letters or statements from us.  
• an IRD number go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: IRD number) to find out how to apply for one.

**2. Your tax rate**

You must complete a separate *Tax rate notification for contractors (IR330C)* for each source of contracting income.  
Refer to the flowchart on page 2 and enter your tax rate to one decimal point here.  %  
Refer to the table on page 3 and enter your schedular payment activity number here.

Your tax code will always be: **WT**

If you're a non-resident entertainer, find out about your tax responsibilities at [ird.govt.nz/nr-entertainers](http://ird.govt.nz/nr-entertainers) or call us on 09 984 4329.

## Certificate of exemption (COE)

You may be eligible to get a certificate of exemption. You show this to the venue owner and it tells them to pay you the full fee and not to deduct tax. You're then responsible for paying the tax on this income at the end of the tax year. To find out how to apply for a COE go to [ird.govt.nz/apply-for-coe](http://ird.govt.nz/apply-for-coe)

## Paying taxes and filing returns

Payments you receive for your entertainment activity will, in most cases, be taxable. You should put a portion of each payment into a separate bank account. At the end of each tax year (31 March) you'll need to complete and send us a tax return. If you have a tax agent they'll manage this for you. You still need to give them your business records.

Even if venue owners have deducted tax you must still file a tax return.

You could consider appointing a tax agent (accountant). They can help you work out your taxes and complete your tax returns. The fee you pay them is tax deductible.

## Keeping business records

Keeping the right information is important and, in most cases, a legal requirement. This includes:

- having a separate bank account to help you manage your income and expenses and budget for tax and other business costs such as ACC levies
- an accounting system to record income and expenses (an accounts book or software package)
- an assets register for instruments and equipment
- keeping all business invoices and receipts for seven years
- running a vehicle log book so you can claim travel costs.

## Do you need to register for GST?

You may need to register for GST. Find out if you do by reading our factsheet **GST - do you need to register? - IR365**. You can get a copy from "Forms and guides" on our website.

If you register for GST you'll need to be able to give the venue owner a tax invoice. You'll need to work out the GST to pay to us and send it in with a GST return.

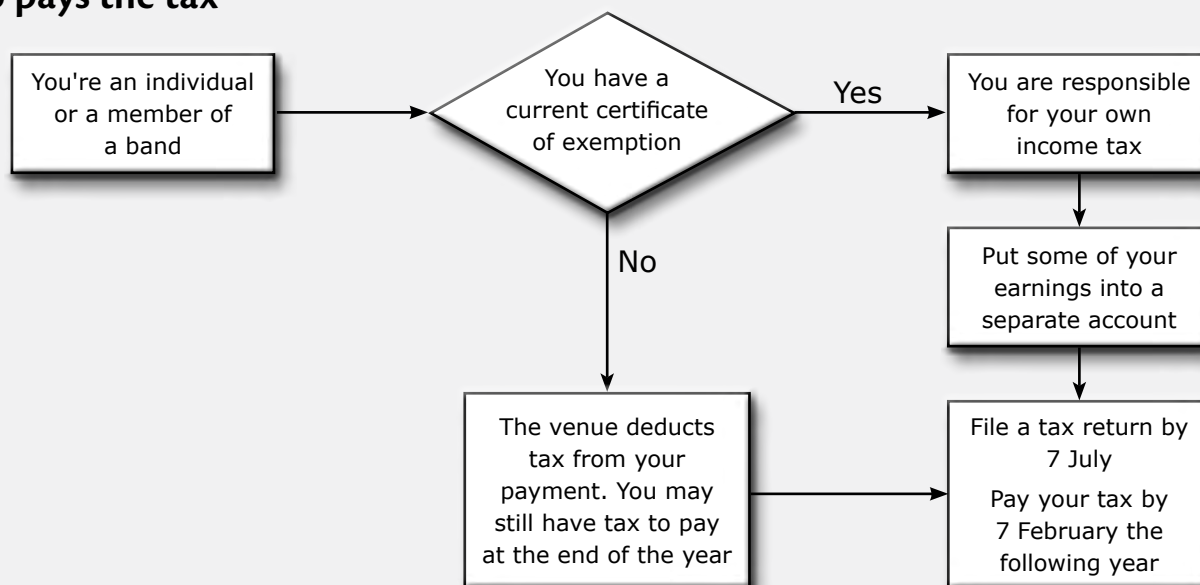
You can find out more about tax invoices and calculating and paying GST on our website at [ird.govt.nz/gst](http://ird.govt.nz/gst)

## When you're paid from the door charges

If you collect door charges which you later receive as your fee, the tax on them is paid in one of two ways.

1. You do this by yourself - the manager or licensee deducts the tax from these payments at the rate shown on the IR330C and pays you the difference.
2. You and an employee of the venue owner collect door charges together and you keep the money as your fee - the manager or licensee doesn't have to make any deductions from these payments, so you have to pay the income tax. You should put some of each payment aside and keep records so you can show this in your tax return at the end of the year.

## Who pays the tax



### [www.ird.govt.nz](http://www.ird.govt.nz)

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

#### Forgotten your user ID or password?

Request these online from the myIR login screen and we'll send them to the email address we hold for you.

#### FREE ADVISORY SERVICE

Our community compliance officers run free tax seminars and workshops for new businesses and organisations. For more information or to register to attend one of these sessions go to [ird.govt.nz/seminars](http://ird.govt.nz/seminars) or phone 0800 377 774.



**Te Kāwanatanga o Aotearoa**  
New Zealand Government