

Howland Tax Services

2007 Musician's Checklist (United States)

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 this business start in 2007? Yes No

Did you "materially participate" in this business in 2007? 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, 2007 _____
(List each product separately) _____

Production costs in 2007 for new inventory:

Manufacturing costs _____
Wage and subcontract costs _____
Other costs _____

Expenses

Although we don't need to see them, 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 business and employment income: separate expenses between both types of income possible. Some employment expenses can be claimed as itemized deductions on Schedule A, but please indicate which expenses are related to employment income and which are related to freelance income.

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 2007

B. Commuting miles driven in 2007

+

C. Personal, non-commuting miles driven in 2007

+

D. Total miles driven in 2007 (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 2007

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 2007; 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:
