

Howland Tax S E R V I C E S

2005 Musician's Checklist (United States)

Business name & address _____
(your name if you don't have a separate business name) _____

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

Did this business start in 2005?

Did you "materially participate" in the operation of this business in 2005?

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 _____

CD or sheet music sales _____
Indicate inventory on Dec. 31, 2005 _____
(List each item separately) _____

Other income _____

Expenses

It is important to have receipts or statements to document all expenses. Credit card statements are not usually considered adequate documentation. Musicians who have both self-employment and employment income: it is helpful for you to separate your expenses between the two types of income as much as possible.

Accounting, legal, and professional fees _____
Advertising, promotion, publicity _____
Bad debts (accrual accounting system only) _____

Bank charges for separate business accounts _____

Cell phone charges (airtime) - business portion _____

Commissions and referral fees _____

Concert clothing - purchases _____

Concert clothing - cleaning, alterations _____

Convention expenses _____

Delivery, shipping _____

Equipment rental _____

Hairstyling, cosmetics (performers only) _____

Insurance on business assets _____

Interest on business loans _____

Internet fees - business portion _____

Maintenance and repairs _____

Management and administrative fees _____

Meals & entertainment - travel outside home city _____

Meals & entertainment - **documented** business meetings _____

Music supplies (specify) _____

Musical instrument costs (e.g. reeds, pads, accessories) _____

Music lessons _____

Office supplies (e.g. postage, stationary, photocopying) _____

Other supplies and materials _____

Professional development (specify) _____

Rental of business property _____

Research costs _____

Salaries (e.g. agent, accompanist, copyist) _____

Telephone - long distance _____

Telephone - monthly rental if separate business line _____

Training courses (board, lodging, tuition) _____

Travel expenses (not auto) _____

Union dues, work dues, memberships, subscriptions _____

Utilities not included in business use of home _____

Other expenses (specify) _____

Self-employed health insurance for you, your spouse and dependents (allowable for months not eligible to participate in employer-sponsored plan)

Business Use of Home

Square footage of space used regularly and exclusively for business purposes (including storage of equipment, instruments, and inventory)

Total square footage of home

Mortgage interest

Rent

Insurance

Maintenance and repairs

Utilities

Real estate taxes

Security System

Strata fees

Other expenses

*Write down the **total** amounts for the home, even if you did not personally pay all the expenses.*

Depreciation of the Home

To claim depreciation of the home as a business expense, please answer the following questions:

- What date did you first start using your home for business purposes?

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

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

- What was the value of the land relative to the house?

Automobile

Miles driven for your music business in 2005	_____
Commuting miles vehicle was driven	+ _____
Personal, non-commuting miles vehicle was driven	+ _____
Total miles that the vehicle was driven in 2005 (above should add up to total)	= _____

Did you purchase a new vehicle?

Cost of new vehicle and date of purchase	_____
Make and model	_____
Trade-in/selling price of old vehicle	_____

*If claiming actual expenses, write down the **total** expense amounts for the vehicle below, even if you did not personally pay all the expenses. If claiming the Standard Mileage Rate, go to "Additional info required by IRS."*

Insurance	_____
Maintenance, repairs, tires, car washes	_____
Licence fees	_____
Gas and oil	_____
Loan interest	_____
Lease charges	_____
Auto club membership	_____
Parking and tolls	_____

Additional info required by IRS

- Was the vehicle available for personal use during off-duty hours?

- Was the vehicle used primarily by a more than 5% owner?

- Is there another vehicle available for personal use?

- Do you have evidence to support your business use?

- Is the evidence written?

Equipment Acquisitions and Disposals in 2005

Please indicate your preference:

1. Claim depreciation on instruments, sheet music, scores, arrangements, transcriptions, office furniture, recordings, automobiles, and computers to the extent that they are used for business purposes; or

2. Elect to take the Section 179 Deduction and write off the entire business portion of the cost of the above items in 2005.

Asset Type	Date	Cost or Proceeds	Percentage Business Use
Musical instruments	_____	_____	_____
Sheet music	_____	_____	_____
Recordings	_____	_____	_____
Electronic equipment	_____	_____	_____
Office/studio furniture	_____	_____	_____
Computer hardware	_____	_____	_____
Computer software	_____	_____	_____
Other assets (breakdown)	_____	_____	_____
Other assets (breakdown)	_____	_____	_____

Equipment Acquisitions Prior to 2005

If you acquired capital items prior to 2005, and these items haven't yet been deducted or depreciated, please list them to be carried into 2005 and depreciated.

Please note: it's important to document these items with receipts showing original costs. Also indicate Fair Market Value as of Jan. 1, 2005.

Employed Musicians

If you have not already listed them above, you can list some employment-related expenses here that you would like to claim as an itemized deduction on Schedule A. Eligible expenses could include tax preparation fees, union or work dues, concert clothing, small tools and equipment items, subscriptions to music industry periodicals, job search expenses, or certain educational expenses required by the employer.