



As an artist there are many deductions you can take to reduce your taxable income for the year. A self-employed artist may deduct any expense that is directly related to the art activity.

Common itemized deductions by artists include the following.

ADVERTISING: Virtually everything you spend money on to promote yourself as an artist is deductible including advertising and listings in art publications, print ads, business cards, product photos, social media boosts, videos, and websites (including Internet connection costs).

AUTO/TRUCK/VAN EXPENSES: The use of an automobile can be one of the most common and largest deductions for the artist. The automobile use expense can be taken in two ways. The first method is by using the IRS "standard mileage allowance." In 2019, this annually defined allowance was 58.0 cents a mile (57.5 cents for 2020). To take this deduction, you do not need receipts, only records that show the distances driven and the business purpose of the trips. These would include travel to galleries and museums; trips to the art supply store, classes, etc and of course to/from shows. The best tool for tracking and calculating this expense is your appointment book or calendar. If your calendar has a record of business travel it can be used as a tool to estimate your mileage deduction (odometer readings are appreciated by IRS but NOT required).

The second method is to write off direct expenses. In this method you depreciate the purchase price of the vehicle (over 5 years) and then tally up gas slips, repairs, insurance, etc. and use that amount as a basis for your expense. This method requires more work and organization. If you were writing off a cargo van or other larger vehicle, the second method would be preferred. The IRS allows the taxpayer to calculate the best method year by year and take the one that yields the highest deduction (within limits).



BUSINESS MEALS: Since maintaining individual meal receipts is inconvenient, consider using the [GAO Per Diem](#) for deducting meals when traveling. This rate is adjusted annually and ranges depending on location. In practice this means that receipts for meals are not required if the travel itself can be substantiated. This "allowance" includes all three meals and incidental expenses for the day. Remember that travel on the first and last day are calculated at 75% for those days. You are still only able to deduct 50% of the GAO rate but it does mean that you will not have to collect receipts.

Meal expenses for spouses or dependents are not allowed unless they are employees of the art business.

Meals are deductible (remember, only 50%) as part of the overnight travel and they are also allowed as a separate (non-travel) deduction when they meet the criteria of "ordinary," "necessary" and business related. This means that the meal must include direct business discussions. In order to deduct the cost of a restaurant meal, you need to conduct or discuss business during that meeting. Keep in mind that you also can only deduct 50% of your meal costs.

CELL PHONE: If you use your cell phone for both business and personal use you can split up the monthly charges based on an estimate of how much you use the phone for your art business.

CONTRACT FEES: Anyone you pay in order to make your work. This includes photographers, studio assistants, show help, etc.

CREDIT CARD/BANK/SHOW FEES: You can write off your processing fees from companies like Square, Etsy or Paypal as well as jury and booth fees.

EDUCATION: Art classes, workshops and lessons are deductible.

INSURANCE: Self-employed people can deduct 100% of what they pay for medical insurance for themselves and their families. In addition, If you have a home office, you may deduct a portion of your homeowner's insurance.



LEGAL AND PROFESSIONAL EXPENSES: You can deduct fees that you pay to attorneys, accountants, consultants, and other professionals if the fees are paid for work related to your art business.

MAJOR EQUIPMENT (Depreciable Assets): Depreciable assets are anything that you will use for your art business or studio for more than one year. Think computers, kilns, cameras and any larger expenses that are used over multiple years.

MATERIALS & SUPPLIES: Any hard materials you use to make your artwork can be deducted from your taxes. This includes your supplies, raw materials, electricity that might be used to create your work,. These materials are generally things you use up within the year (think paint, clay, glass, glaze, canvases, etc.)

MEMBERSHIPS: Professional artist societies dues or other organizations like museum memberships for artists are deductible.

OFFICE SUPPLIES: You can also write off any office supplies you have purchased to run your art business such as ink, pens, paper, cards, postage etc.

PUBLICATIONS: You can deduct the cost of art magazines, journals, newsletters, and other subscriptions useful for your art business.

REPAIRS and MAINTENANCE: Any expenses related to repairing or maintaining your equipment or office space would go into this category.

SOFTWARE/WEBSITE SUBSCRIPTIONS: Monthly or annual subscriptions like an accounting, image or contact service that help you run your business can be deducted from you taxes.



STUDIO EXPENSES: If you have a studio outside your home, the total rent and utilities are fully deductible business expenses. For those that have an art studio in your home, the use of the room can be as a studio, storage area for equipment and art, record keeping for the business, marketing, etc. Simply use a formula based on the square footage of the business portion (the home studio) of your home vs. the total square footage of the house or apartment and then applies that percentage to all associated costs. The costs could include rent, mortgage interest, real estate taxes, condo fees, utilities, insurance, repairs, etc.

TRAVEL: Travel expenses include transportation like Uber, subway or cab rides, airfare, and hotel costs. Rental vehicles expressly and only used for your art business are deductible including gas. Driving in your own vehicle is covered under Auto/Truck Expenses.

Claiming business tax deductions does invite more scrutiny from the IRS, so if you would like to play it safe, the IRS provides this checklist for making your business official (<https://www.irs.gov/businesses/small-businesses-self-employed/checklist-for-starting-a-business>). Even if you've been filing as a sole proprietorship for years, it is worth your time to keep accurate records of your expenses, maintain the proper licenses, and have a separate business bank account. As our lives continually become more virtual and you are using your calendar to track business meals, mileage, etc, you **MUST** be able to access old calendar information (for up to 3 years) AND be able to print it in the case of an Internal Revenue Service audit.

Remember that the above are common deductions and this is not specific to your circumstances. I am not a tax expert, just someone who had a great CPA for decades and created a comprehensive spread sheet to organize my finances. This article is not legal or tax advice - contact a tax professional before filing your taxes..

NOTE: Being a self-employed artist is unique and make sure that your tax preparer has experience in taxation for artists. Organizing your numbers using on-line worksheets will make the process easier, cheaper and will help maximize your deductions. Ask your preparer about other tax saving strategies for self-employed individuals.