

Opinion

Arts Day on the Hill: a celebration of the artistic profession in Canada

This year, arts advocate will bring with them a message to Parliamentarians to increase investment for Canadian Heritage's Canada Arts Presentation Fund and to clear up myths and administrative processes on artist taxation.



Ainslee Beer

Opinion

BANFF, ALTA.—The artistic profession, one that often straddles the line somewhere between public good and private en-

terprise, finds its moment on the Hill on Oct. 2 to celebrate and strengthen Canadian cultural policy.

In 2016, one of the biggest lobby days in recent history was conducted by the Canadian Arts Coalition, a non-partisan collaborative movement which saw more than 150 arts advocates come to Ottawa for Arts Day on the Hill. This year, they bring with them a message to Parliamentarians to increase investment for Canadian Heritage's *Canada Arts Presentation Fund* and to clear up myths and administrative processes on artist taxation.

Most people know that entering a creative profession is risky but rewarding, with volatile income potential, but with significant contributions made to contemporary culture and life. Many artists have sporadic employment opportunities and irregular annual incomes, coming from a variety of sources such as grants, commissions, presentations, copyright royalties, etc.



People pictured at the Canadian Screen Awards in Toronto in 2015. The artistic profession, one that often straddles the line somewhere between public good and private enterprise, finds its moment on the Hill on Oct. 2 to celebrate and strengthen Canadian cultural policy, writes Ainslee Beer, but there are two main issues artists want to see resolved. *The Hill Times* file photograph

Without a clear process to demystify artist taxation policies for small businesses and self-employed individuals, artists become susceptible to unnecessary audits. These audits have been occurring at an increased rate over the last four years, due in part because taxation bulletins have been buried on the government website. This archiving has resulted from the process of updating government documents to accessibility standards.

As such, two main issues are seeing increased attention:

Classification of Income. Many self-employed artists may receive a significant portion of their income from grants, particularly from public granting bodies such as the Canada Council for the Arts. The council has a process to define a professional artist and provides grants which adhere to professional standards. However, CRA officials are frequently classifying these grants as student scholarships rather than business income. This puts artists at a disadvantage because they cannot deduct legitimate business expenses. In recent headlines, Halifax sculptor Steve Higgins' expense claims for a 2013 project were rejected because the work was funded by a public grant and not sold for-profit. The CRA sent him a bill for \$14,495.37 in back taxes. These misclassifications muddy the waters around defining an artist as a practicing professional, a student, or a hobbyist. Tax bulletins, which are now archived due to accessibility, already exist to: clear up public grants from the Canada Council for the Arts as professional income (Bulletin IT-257R) and; to state that the generation of profit for artists is not always an adequate measure for business success (Bulletin IT-504R2).

Inconsistent interpretation on business expenses. One artist was told he couldn't deduct more than \$500 of related expenses from his grant (contrary to Bulletin IT-257R); another artist was told she could not include her professional membership dues because the officer was not personally familiar with the organization. It is reasonable to have a few business-related expenses disallowed but, depending on what is excluded, it can have a major impact on an artist's bottom line. In several instances, senior artists have not only had to pay additional taxes, but their Canada pension payments were also reduced. Any taxpayer should have confidence that an officer reviewing their file has done reasonable research into what is allowable for their profession.

Resolution for these issues is underway with collaboration between the Canadian Arts Coalition, the Canada Council for the Arts, and the CRA. The result will hopefully be an updated, fully-accessible tax folio which results in clearer guidelines to help artists prepare their taxes accurately and for CRA agents to assess appropriately, and we recommend that solutions ensure the taxation and auditing processes align with the realities of professional artists working primarily in the not-for-profit sector.

Keep an eye out for advocates on Oct. 2, for Arts Day on the Hill as artists, arts managers, and Parliamentarians celebrate culture and work toward the future of Canadian cultural policy.

Ainslee Beer is the program coordinator with the Banff Centre for Arts & Creativity in Banff, Alta.

The Hill Times

Husky West White Rose Project – Building Newfoundland & Labrador's offshore energy future.

80 YEARS

Husky Energy

Responsibly producing
the energy the world needs.

huskyenergy.com/atlantic

Argentina, NL