



FILE 13 · THE LEDGER

Tax & Money Guide for Actors.

1099 income, deductions, the Schedule C, and the recordkeeping habit that pays for itself in a single tax season.

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Money, taxes, and the recordkeeping that pays for itself.

Most actors leave thousands of dollars on the table at tax time because they don't track their expenses, don't understand 1099 vs. W-2 income, and don't talk to a performer-savvy accountant. This is the brief. This is not legal or tax advice — talk to a professional. But this is where to start.

1099 vs. W-2 — KNOW WHICH YOU'RE GETTING

W-2 income — you're an employee. Taxes are withheld. Most union acting work (SAG-AFTRA scale jobs, AEA contracts) is W-2.

1099 income — you're an independent contractor. No taxes withheld. You owe income tax AND self-employment tax (~15.3%) on the full amount. Most non-union film/TV, indie projects, voiceover, branded content, and survival jobs (catering, brand ambassador, dog walking) are 1099.

The math: on every \$1,000 of 1099 income, set aside roughly \$300 for federal taxes. Don't spend it. Don't "catch up later." The IRS adds penalties and interest, and they don't care that you're an actor.

QUARTERLY ESTIMATED TAXES

If you have meaningful 1099 income, the IRS wants quarterly payments — April, June, September, and January. Use IRS Form 1040-ES to estimate. The penalty for not paying quarterly is small (a few percent), but it adds up. Setting aside 30% of every 1099 check into a separate savings account makes April taxes a non-event.

DEDUCTIONS — THE BIG LIST FOR ACTORS

Until 2017, employee actors could deduct unreimbursed business expenses. The Tax Cuts and Jobs Act suspended that for W-2 employees through 2025 (it may or may not be reinstated; check current). However, anyone with 1099 income files a Schedule C and can deduct ordinary and necessary business expenses against that income. If you have any 1099 income, you have a Schedule C. You should be tracking these:

Materials & Tools

- Headshot photography sessions
- Headshot printing and reproductions
- Reel editing fees, scene-production fees
- Vimeo / hosting subscriptions
- Self-tape equipment (camera, lights, mic, backdrop, tripod)

- Resume printing and stationery for submissions
- Mailing costs for headshot mailings

Training & Development

- Acting classes, scene study, on-camera, technique
- Singing and voice lessons
- Movement, dance, dialect, stage-combat training
- Workshops, intensives, masterclasses
- CD workshops (yes, even these — they're professional development)
- Industry books, scripts, DVDs of films you study

Submissions & Industry

- Actors Access, Casting Networks, Backstage subscriptions
- IMDB Pro membership
- Union dues (SAG-AFTRA, AEA, etc.)
- Agent and manager commissions (deductible against the income earned)
- Trade publication subscriptions (Variety, Hollywood Reporter, Backstage)

Travel & Mileage

- Mileage to and from auditions (track the miles; the IRS rate is around 67 cents per mile in 2026, verify current)
- Subway, bus, and rideshare costs to auditions, classes, and bookings
- Out-of-town audition or booking travel (flights, hotels, meals at 50%)
- Parking at audition venues

Body & Voice (Reasonable, Not Lavish)

- Gym membership only if specifically required for a role — extremely conservative; the IRS audits this category
- Vocal coaching
- Specialized fitness for a role (boxing for a fight scene, stunt training)
- Prosthetics, wigs, costume pieces required for specific work
- Not deductible: general personal grooming, regular haircuts, regular makeup, day-to-day clothing — even if you wear them to auditions

Home Office (If Eligible)

If you have a dedicated space used exclusively and regularly for self-tapes and acting business, you may be able to take a home-office deduction (a portion of rent, utilities, internet). The IRS interprets "exclusive use" strictly. Your kitchen table doesn't count if you also eat dinner there.

Other

- Cell phone (business-use percentage)
- Internet (business-use percentage)
- Tax preparation fees
- Legal fees related to acting work (contracts, etc.)
- Professional accountant fees
- Liability insurance, if carried

Track everything monthly. Use a simple app (QuickBooks Self-Employed, Wave, or even a spreadsheet). Snap photos of receipts the day you spend. The actor who tries to reconstruct a year of expenses in March is the actor who under-deducts and overpays.

PERFORMER-SAVVY ACCOUNTANTS

An accountant who specializes in performers is worth their fee many times over. They know actor deductions, multistate filing (when you book a film in another state), and how to handle loan-out corporations if your earnings get high enough. Names known in the NYC performer community (verify current; tax pros come and go):

- Robert Pesce / The Actor's Tax Site
- Sandra Karas, Esq. — long-running performer-tax specialist; also helps performers with VLA
- The Actors Fund Career Center — can refer you to performer-friendly pros
- VLA (Volunteer Lawyers for the Arts) — vlany.org, low-cost legal/tax help

MULTI-STATE TAX SITUATIONS

Booked a film in Georgia? A regional theater contract in Massachusetts? Both states will want income tax. New York will tax you on worldwide income but credit you for taxes paid elsewhere. This is exactly the situation where you want a performer-savvy CPA, not TurboTax.

LOAN-OUT CORPORATIONS — WHEN IT MAKES SENSE

Once you're earning roughly \$100k+/year as a performer, your accountant may suggest forming a loan-out corporation (an S-corp or LLC that "loans out" your services to productions, and then pays you a salary). The tax savings can be substantial, but the administrative burden is real. Below the threshold, it's usually not worth it.

WHEN MONEY IS TIGHT — TAX EDITION

- IRS Free File if your income is under the threshold (around \$79k in recent years; verify) — free professionally-prepared filing
- NYC Free Tax Prep — nyc.gov has a free tax prep program for moderate-income New Yorkers
- VLA / VITA — volunteer tax assistance

- The Actors Fund can sometimes help with tax-related emergency situations

One habit changes everything: on the first of every month, sit down for 30 minutes and reconcile last month's expenses, mileage, and gross income. Thirty minutes a month. That's the difference between an audit you survive and an audit that wrecks you.
