



December 6, 2022

The Honorable Richard Neal
Chairman, U.S. House Committee on Ways
and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Wyden
Chairman, U.S. Senate Committee on
Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Ranking Member, U.S. House Committee
on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Crapo
Ranking Member, U.S. Senate Committee
on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Neal, Chairman Wyden, Ranking Member Brady, and Ranking Member Crapo,

We write to urge inclusion of H.R. 4750/S. 2872, the Performing Artist Tax Parity Act (PATPA), in any year-end tax legislation package that may be put forward in the final weeks of the 117th Congress. Introduced by Reps. Judy Chu (D-CA) and Vern Buchanan (R-FL) in the House and Sens. Mark Warner (D-VA) and Bill Hagerty (R-TN) in the Senate, this bipartisan legislation would update the Qualified Performing Artist (QPA) deduction, modernizing a provision that has been on the books since it was signed into law in the 1980s by President Reagan, so that middle-class entertainment workers can again deduct common business expenses.

Most entertainment workers, including members of our unions, spend 20 to 30 percent of their income on necessary work expenses. Typical expenses might include transportation to an audition, a talent agent and manager, or equipment such as expensive cameras, musical instruments, or tools. An unfortunate and unintended consequence of the last tax reform bill was the elimination of the ability of entertainment workers to deduct these common work expenses. Subsequently, many of our members and other workers in the industry struggle to pay burdensome amounts in taxes, making it difficult for them to make ends meet. Further, these workers face a tax code that punishes them for seeking employment.

PATPA would restore tax fairness for middle class creative professionals by updating the eligibility threshold for the QPA deduction. QPA is a provision of the tax law that allows certain performing artists the option to take an “above the line” deduction for expenses incurred in the

course of their employment. Currently, the adjusted gross income threshold for the QPA deduction is \$16,000, a level unchanged since QPA's inception in 1986. PATPA would raise the threshold to \$100,000 for single taxpayers and \$200,000 for joint filers, and also add a built-in phase out to help transition the taxpayer out of the deduction.

The ability to claim the QPA deduction would have a meaningful impact on the lives of middle-class entertainment workers and their families. According to information from the Volunteer Income Tax Assistance (VITA) program at the Actors' Equity office in New York, a Pennsylvania sound engineer would realize a tax savings of over \$4,500 under PATPA. A Nevada actor would pay \$1,500 less in taxes. A New York musician would save \$3,000. Instead of paying unnecessarily burdensome tax bills, these middle-class professionals will be able to put their money toward seeking continued work, making the next month's rent, putting food on the table, and contributing to their local economies.

We urge you to include PATPA in any year-end tax legislation. PATPA will bring much needed tax fairness to hard working Americans who simply want to keep working in the entertainment industry during the challenging COVID recovery period.

If you have any questions, please do not hesitate to contact any of us or DPE Assistant to the President/Legislative Director Michael Wasser at mwasser@dpeaflcio.org.

Sincerely,

Kate Shindle, President, Actors' Equity Association
Raymond M Hair, Jr., International President, American Federation of Musicians of the
United States and Canada
Raymond Menard, President, American Guild of Musical Artists
Jennifer Dorning, President, Department for Professional Employees, AFL-CIO
Lesli Linka Glatter, President, Directors Guild of America
Carlo Fiorletta, President, Guild of Italian American Actors
Matthew D. Loeb, International President, International Alliance of Theatrical Stage
Employees
Richard Lanigan, President, Office and Professional Employees International Union
Fran Drescher, President, Screen Actors Guild - American Federation of Television and
Radio Artists
Evan Yionoulis, President, Stage Directors and Choreographers Society
Michael Winship, President, Writers Guild of America, East