



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 5

EMPLOYMENT INCOME: DEDUCTIONS ALLOWED FROM EARNINGS

CHAPTER 2

DEDUCTIONS FOR EMPLOYEE'S EXPENSES

Agency fees paid by entertainers

352 Limited deduction for agency fees paid by entertainers

- (1) A deduction is allowed from earnings from an employment as an entertainer for agency fees (and any value added tax on them) if the fees are calculated as a percentage of the whole or part of the earnings from the employment.

This is subject to the limit in subsection (2).

- (2) Amounts may be deducted under this section in calculating the net taxable earnings from an employment in a tax year only to the extent that, in aggregate, they do not exceed 17.5% of the taxable earnings from the employment in the tax year.
- (3) Subsections (4) and (5) apply for the purposes of this section.
- (4) "Entertainer" means an actor, dancer, musician, singer or theatrical artist.
- (5) "Agency fees", in relation to an employment, means—
- (a) fees paid under a contract between the employee and another person, to whom the fees are paid, who—

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 352. (See end of Document for details)*

- (i) agrees under the contract to act as an agent of the employee in connection with the employment, and
 - (ii) at the time the fees are paid is carrying on an employment agency with a view to profit, and
 - (b) fees paid under an arrangement under which a co-operative society or the members of such a society agree to act as the employee's agent in connection with the employment.
- (6) For the purposes of subsection (5)—
- “co-operative society” does not include a society which carries on or intends to carry on business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with or lent to the society or any other person, and
 - “employment agency” has the meaning given by section 13(2) of the Employment Agencies Act 1973 (c. 35).

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