

*American Federation of Musicians
Symphonic Services Division
Canada*

April, 2004

**PERFORMING ARTS ORGANIZATIONS MAKE
THE CASE FOR ADEQUATE STABLE FUNDING**

The message is starting to get through: Money will not solve all of the problems, but the problems cannot be solved without money. After a decade of suffering from cutbacks and uncertainty in federal support, large performing arts organizations are making themselves heard.

- A CCA survey has found that “government funding that is adequate, stable, and multi-year” is by far the most pressing need for the cultural sector.
- The leaders of five large performing arts organizations in Ontario unanimously identified adequate core funding as being the key to sustainability during a meeting with new Minister of Canadian Heritage, Madame H el ene Chalifour Scherrer.
- The Project Team for the Orchestras Canada Soundings initiative, comprised of representatives of every orchestral stakeholder group, has unanimously identified adequate core funding as a prerequisite for any other initiative that might improve the health of Canadian orchestras.

The professional arts sector has shed its fear and is at last speaking with a bold unified voice. As a result, there appears to be a growing recognition by the funding agencies that Canada’s professional arts sector, including orchestras, has been chronically under-funded. It is less clear that these funding agencies have accepted the fact that adequate core funding must be restored and maintained as a first and necessary step in the revitalization process. Just as people must have food and shelter before they can begin to work towards self-actualization, arts organizations must have adequate core funding in order to focus on artistic vision and community connection.

It is understandable that funding agencies continue to be extremely reluctant to simply hand over large amounts of new cash without some means of ensuring the wise use of such funds. The chosen alternative in recent years has been to try to micro-manage the sector by providing a myriad of “behaviour modification” programs rather than providing stable, indexed operating grants. This approach results in a phenomenon that the sector has delightfully dubbed “pretzeling”, i.e. orchestras “bending over backwards” to meet the various and sometimes competing criteria

of these programs. A new and better way must be found to properly support and sustain our orchestras

The orchestral sector is approaching a critical juncture. The Soundings team is poised to deliver its final report. A new round of multi-year Canada Council funding for orchestras will be announced in March of 2005. With its new, unified voice, the sector must demonstrate that, with proper support, it can deliver excellent performances to engaged communities. A plan must be developed with the funders to ensure that orchestras receive desperately needed core funding, that they are held accountable for the wise use of those funds, and that appropriate tools are developed and made available for restoring and enhancing the health of our orchestras. OCSM and the AFM will continue to play a central role in these discussions. Every symphonic member in Canada is urged to build on this new-found unity at the local level and to support the national initiative.

**EMPLOYED SYMPHONY MUSICIANS FACE
NEW TAX ISSUES**

Many OCSM members are adjusting to a change in tax status. Several orchestras have determined that the core musicians they engage are employees. This article is intended to help employed musicians find the resources they need so that they can claim the deductions to which they are entitled.

Filing deadline

The following quote from the Canada Revenue Agency (CRA) website sets out the criteria for determining the deadline for filing your tax return:

If you or your spouse or common-law partner carried on a business in 2003 (other than a business whose expenditures are primarily in connection with a tax shelter), your 2003 tax return has to be filed by June 15, 2004. However, if you have a balance owing for 2003, you still have to pay it by April 30, 2004.

In other words, if you have paid your installments in full for 2003, and if you or your spouse/partner have any income from self-employment such as miscellaneous engagements, a free-lance chamber group, students, or broadcast fees, then you must file by June 15. For more information see www.ccra-adrc.gc.ca/tax/individuals.

Deductible expenses

All eligible Canadian employees are entitled to deduct certain non-reimbursed expenses. These are itemized in Section 8 of the Income Tax Act. Deductible expenses for eligible employees include union dues, professional membership dues, supplies (for OCSM members that might be reeds, strings, valve oil, etc.) and work space in home expenses. Most of you will be eligible to deduct such expenses, particularly if your employer requires you to prepare/practice performance repertoire away from the workplace.

In addition to the deductions just discussed, performing artists may be eligible to deduct other expenses related to their employment. Expenses related to musical instruments that are used to earn employment income may be deducted from such income up to a maximum cap of \$1000. Such expenses include capital cost allowance, maintenance, insurance, and rentals. If deductible musical instrument expenses fall short of the cap (and remember, some of those expenses can and should be deducted against any income from self-employment), the remainder of the \$1000 can be used to deduct other business expenses that are normally only deductible for self-employed artists such as professional development and promotion. For a complete discussion of deductible expenses for both employed and self-employed musicians see the CRA's tax interpretation bulletin for performing artists, IT-525R. Most such publications can be found on the CRA website.

Certificate of employer

Your employer must be willing to provide a form called a T2200 attesting to the fact that you incurred expenses as a requirement of your employment. You are not required to include a T2200 with your return but you must be able to procure one if requested to do so.

Tax Professionals

This article provides information about deductions to which you might be entitled. Many musicians find it helpful to retain the services of a tax professional to ensure that they are complying with the law and maximizing their legitimate deductions. If you have recently begun to earn employment income and are in need of assistance the Canadian Office can help you locate an experienced tax professional.

EVENTS UNFOLD AT THE KWS

In late November of 2003 the KWS relieved its Principal Conductor of his duties. The reaction from the public and the press was overwhelming. The incident resulted in the resignation of the entire board and key administrators including the Managing Director. There is now a new board in place. At the time of writing the directors have postponed the tour to

Germany. In the short term they must decide whether to reinstate the conductor. In the longer term they must examine the structure of the organization.

The Kitchener-Waterloo Symphony will probably be just fine. The bad news is that a lot of money has been wasted and a caring and competent manager has left the organization. The good news is that outstanding individuals have stepped forward to keep the music playing.

The question of organizational structure is central to this issue. It will be examined in a future article. What is important today, as we watch events unfold, is not just who will conduct the orchestra or whether they should tour. Equally important is the powerful reaffirmation by the community that this orchestra is a treasured asset of the Kitchener-Waterloo region. The reasons for this are fundamental. The orchestra performs beautiful music to engaged audiences in an outstanding concert venue. It has been managed by people who understand the importance of caring properly for the artists they employ. Its leaders have not hesitated to charge the community with the responsibility of providing financial support for a valued organization.

We wish them well.

AFM Canada position available: SSD ASSISTANT

The Symphonic Services Division of AFM Canada, seeks to employ an Assistant.

- Half-time position. AFM benefit package including EPW.
- Starting date July, 2004.

The following would be considered assets:

- Strong computer and research skills
- Good working knowledge of collective agreements
- Experience working with AFM Locals
- Ability to communicate in both official languages

Applicants should forward a resume no later than **June 15th, 2004**, to:

SSD, AFM Canadian Office
75 The Donway West, Suite 1010
Don Mills, Ontario, M3C 2E9

*For more information, contact Laura Brownell at
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