

## Information Bulletin

### Tax Information for Overseas Touring Artists performing in Ireland—Sales/VAT Taxes and Withholding Tax Regimes

#### General

**Ireland** provides a favourable environment for both Irish-resident Artists and non-resident visiting Artists. The country has an Artist's Exemption provision covering income earned by resident artists, writers, composers and sculptors from the sale of their works. Such income is exempt, up to certain thresholds, from tax in Ireland in certain circumstances.

VAT on ticket sales is now 9% with show costs subject to varying rates from 0% to 9%, 13.5% and 23%.

There is no withholding tax levied on foreign Artist earnings from touring revenue generated in Ireland.

Please bear in mind that Northern Ireland is part of the United Kingdom and its taxation covered by the United Kingdom tax regulations.



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#### Sales Tax/VAT Rates in Ireland

The following are the VAT rates applicable to touring activities in the Republic of Ireland:

- Ticket Sales 9% (divisive)
- Costs 23%  
(certain costs are at the lower 9% and 13.5% rates)
- Merchandise
  - Standard – T-Shirts etc. 23%
  - Books 0%
  - Programs 0%

(But please note that with regards to Printed Matter the VAT rates can be 0%, 13.5% and up to 23% depending on the nature of the material).

## Withholding Tax Rates in Ireland

Artist Fees	0%	
Production Fees	0%	
Promotion Fees	0%	
Royalties	0%	(United States)
Royalties	0%	(United Kingdom)

### Double Taxation Treaties

#### Ireland—United States

The Ireland-United States Tax Treaty has a section (Article 17) devoted to income derived by Artistes and Sportsmen. The Article is transcribed below and provides for withholding tax to be levied, except where the amount of the gross receipts derived by the Artist, including expenses reimbursed to him/her or borne on his/her behalf, does not exceed US\$20,000 or the Euro equivalent. This also applies where the income accrues not just to the entertainer but also to a non-resident third party in certain circumstances, unless it can be shown that the Artist does not participate directly or indirectly in such receipts or profits.

In practice, no withholding tax is levied on Artist earnings from touring revenue generated in Ireland.

The full Article reads as follows:-

#### Article 17 – Artistes and Sportsmen

1. Income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio, or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, which income would be exempt from tax in that other Contracting State under the provisions of Articles 14 (Independent Personal Services) and 15 (Dependent Personal Services), may be taxed in that other State, except where the amount of the gross receipts derived by such entertainer or sportsman, including expenses reimbursed to him or borne on his behalf, from such activities does not exceed twenty thousand United States dollars (\$20,000) or its equivalent in Euros for the taxable year concerned.
2. Where income in respect of activities exercised by an entertainer or a sportsman who is a resident of a Contracting State in his capacity as such accrues not to the entertainer or sportsman himself but to another person who is a resident of that State, that income of that other person, notwithstanding the provisions of Articles 7 (Business Profits) and 14 (Independent Personal Services), may be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised, unless it is established that neither the entertainer or sportsman nor persons related thereto participate directly or indirectly in the receipts or profits of that other person in any manner, including the receipt of deferred remuneration, bonuses, fees, dividends, partnership distributions, or other distributions.

## Double Taxation Treaties (continued)

### United Kingdom – Ireland

The Ireland-United Kingdom Tax Treaty has a section (Article 16) devoted to income derived by Artistes and Athletes. The Article is transcribed below and provides for withholding tax to be levied by the State in which the activities of the Artist are exercised. Again, as with the Ireland-United States Tax Treaty, this also applies where the income accrues not just to the entertainer but also to a non-resident third party. There are no provisions, as in the United States Treaty, which would exclude such amounts from withholding tax on the Artist.

In practice, no withholding tax is levied on Artist earnings from touring revenue generated in Ireland.

The full Article reads as follows:-

#### Article 16 – Artistes and Athletes

1. Notwithstanding the provisions of Article 15, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which those activities are exercised.
2. Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person that income may, notwithstanding the provisions of Articles 8 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

*“In practice, the Irish Tax Authorities do not levy withholding tax on foreign Artist performances at present in Ireland”*



***tmi business management*** — providers of *Financial and Taxation Services to International Touring Artists*

*We are based in Ireland, with associates in The Netherlands, Germany and Canada.*

*If you would like some more information please contact our President, Philip Brennan, directly using the contact details provided.*

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*If you would like to receive more of our Taxation Fact Sheets please visit our website at [www.tmidbusiness.com](http://www.tmidbusiness.com) and Subscribe and we will ensure you get all the sheets when issued and any ones you may have missed.*

*Philip*

The enclosed taxation information is for the user's guidance only. The information is designed to outline certain tax rates and tax issues in the countries concerned. It is not intended to be a definitive guide to action but should you need more information or more advice please do not hesitate to contact us at the details noted above. We hope you will find this information helpful.

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