To amend the Internal Revenue Code of 1986 to increase the adjusted gross income limitation for above-the-line deduction of expenses of performing artist employees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2021

Ms. Chu (for herself and Mr. Buchanan) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the adjusted gross income limitation for above-the-line deduction of expenses of performing artist employees, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Performing Artist Tax Parity Act of 2021”.
SEC. 2. ABOVE-THE-LINE DEDUCTION OF EXPENSES OF PERFORMING ARTISTS.

(a) IN GENERAL.—Section 62(a)(2)(B) of the Internal Revenue Code of 1986 is amended—

(1) by striking “PERFORMING ARTISTS.—The deductions” and inserting the following: “PERFORMING ARTISTS.—

“(i) IN GENERAL.—The deductions”; and

(2) by adding at the end the following new clauses:

“(ii) PHASEOUT.—The amount of expenses taken into account under clause (i) shall be reduced (but not below zero) by 10 percentage points for each $2,000 ($4,000 in the case of a joint return), or fraction thereof, by which the taxpayer’s adjusted gross income (determined without regard to this subparagraph) for the taxable year exceeds $100,000 (200 percent of such amount in the case of a joint return).

“(iii) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2021, the $100,000 amount under clause (ii) shall be increased by an amount equal to—
“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any amount after adjustment under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.”

(b) Clarification Regarding Commission Paid to Performing Artist’s Manager or Agent.—Section 62(a)(2)(B)(i) of such Code, as amended by subsection (a), is amended by inserting before the period at the end the following: “, including any commission paid to the performing artist’s manager or agent”.

(e) Conforming Amendments.—

(1) Section 62(a)(2)(B)(i) of such Code, as amended by the preceding provisions of this Act, is amended by striking “by him” and inserting “by the performing artist”.
(2) Section 62(b)(a) of such Code is amended by inserting “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.