

Secondly, it would also achieve a measure of equity between symphony musicians. There is no rational reason why individuals performing the same services in different cities should be exposed to the widely differing tax burden that results from a differing tax status.

The Sub-Committee will recommend below further equalization in the treatment of symphony musicians through the extension of unemployment insurance coverage to self-employed performers. Symphony musicians as performers would benefit from this.

## RECOMMENDATION

- 22. That section 8 of the *Income Tax Act* be amended to allow deductions of all expenses and capital cost allowance incurred by symphony musicians for the purchase and upkeep of their musical instruments.**

## UNEMPLOYMENT INSURANCE AND THE PERFORMING ARTIST

Disney recommended that self-employed performing artists be eligible for unemployment insurance coverage. The Sub-Committee now makes this same recommendation. Disney pointed out that, prior to the administrative consolidation of unemployment insurance coverage and National Revenue in 1972, many performers were eligible for unemployment insurance despite being self-employed for tax purposes. After 1972, dual status was not permitted and the self-employed performer was no longer eligible.

Canadian experience as well as current practice in other jurisdictions (including the United States) illustrates that there is no intrinsic reason why extending coverage to performing artists should be difficult or impossible administratively. The difficulty comes from the rigid distinction used in Canada between the self-employed and the employee, a distinction which becomes blurred in the performing arts.

In other situations where the distinction is similarly unclear, the Unemployment Insurance Commission is permitted to extend coverage by regulation and has done so in the case of taxi and bus drivers, hairdressers, and employees of placement agencies. Alternatively, the Commission can extend coverage to individuals engaged in a business provided that regulations passed under this section are subject to an affirmative resolution of Parliament.

Disney states that such an extension was considered by the Commission in 1973 although no action was taken. The problems identified then no doubt remain but these are technical matters that experience teaches us can be worked out. Certainly such a change in social benefits would make a significant impact on the economic security of Canada's performing artists.

## RECOMMENDATION

- 23. That performing artists be eligible for unemployment insurance coverage regardless of their status for taxation purposes.**