

The Sub-Committee recommends that the following list of criteria be used to assess the professionalism of artists or writers.⁽⁶⁾ The criteria are not listed here in any particular order of importance.

Professionals:

- 1) Earn or have earned a living wholly or in part by the practice of the visual arts or by writing;
- 2) Hold diplomas in fine or applied art or related field;
- 3) Teach or have taught in the field;
- 4) Exhibit frequently or otherwise market or promote their art or writing;
- 5) Win national or international prizes;
- 6) Have current memberships in professional organizations;
- 7) Gain recognition by other professional artists or writers in the country;
- 8) Receive grants from the Canada Council or provincial arts councils or cultural affairs departments;
- 9) Can demonstrate time spent and sustained output;
- 10) Receive revenue from artistic sources;
- 11) Have previous critical or financial success despite an intervening slack period;
- 12) Obtain publishing contracts (although the lack of contracts does not indicate non-professionalism).

The Sub-Committee makes no attempt to weight the characteristics, or to indicate an acceptable threshold number because individual circumstances vary greatly. It is highly unlikely that any individual could meet all the criteria. The weighing and balancing process characteristic of this kind of decision will continue but with the aid of increased expertise in Finance and Revenue Canada, and these concrete standards, future results should be fairer and more predictable than current processes provide.

The Sub-Committee proposes that artists and writers who can establish themselves as professionals can then deduct losses from professional artistic and writing activities from other income. The question remains about the extent to which losses should be deductible.

Artistic and Writing Losses

In view of the concessions on the income side in applying the business test, the Sub-Committee has concluded that full deductibility of all losses on the regular business model is not required. It has previously recommended that the full application of the business test be modified by the criteria of professionalism in the case of artists or writers. Profit in a restricted time span will not play the role it appears to now, and even the absence of revenue will not necessarily be definitive. Losses, therefore, can also be restricted.