

The individual artist seems to pose something of a dilemma for those responsible for tax policy and practice. While most western nations have found some means or another of specifically addressing the issue of the treatment of the individual artist for tax purposes, we seem to have developed a serious mental block. When is an artist not an artist? When the tax system is brought to bear on that individual. Because we have not devised the means of dealing with the individual artist for tax purposes, artists are constantly being fitted into some inappropriate category. If in the eyes of Revenue Canada Taxation an artist is carrying on a business with reasonable expectation of profit, then that artist is deemed a small manufacturer. If the artist cannot establish within the inappropriate bounds established by Revenue Canada Taxation that a reasonable expectation of profit exists, then he or she is a hobbyist. We call this taxation by analogy: the lack of appropriate tax categories results in Revenue Canada Taxation forcing the individual artist into other, inappropriate categories which seem to offer the closest fit. In the process of squeezing the individual artist into categories designed to suit other situations, it is never the category that suffers but the artist. This must cease. Individual artists, whatever their discipline, are governed by certain identifiable economic realities, and follow certain career patterns. It is not, we like to think, beyond our ability to devise a system which is structured to recognize these realities and impose taxes accordingly in a fair, equitable and consistent manner. Failure to do so to date derives from a serious lack of understanding of the realities which govern the careers of artists, and a reluctance to consider the tax problems associated with artists as being serious ones.

The problem also stems from the lack of a larger framework in which to situate specific treatment. The cultural sector as a whole has grown impressively in the last two decades. The sheer economic size of the cultural sector, and its significant impact on the surrounding economy, demand appropriate recognition across the full range of federal programs including -- indeed particularly -- the tax régime. Cultural activity in Canada comprises a large sector of the economy, with identifiable characteristics and impressive economic benefits. One of the regrettable anomalies is that, while the sector as a whole has assumed great importance in terms of its economic size and impact, the individual artist from which all such benefits are derived is sadly under-rewarded. Little of the wealth generated returns to the individual artist -- a problem which we hope to correct -- and the artist lives, on average and as mentioned above, at levels below the official poverty line. It is not only inappropriate in cultural and