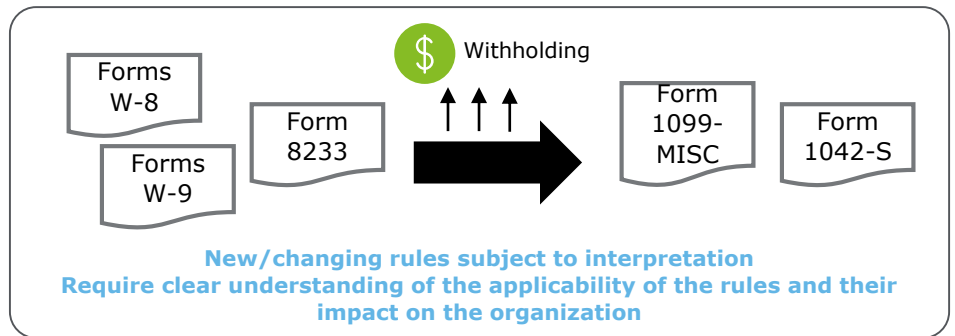
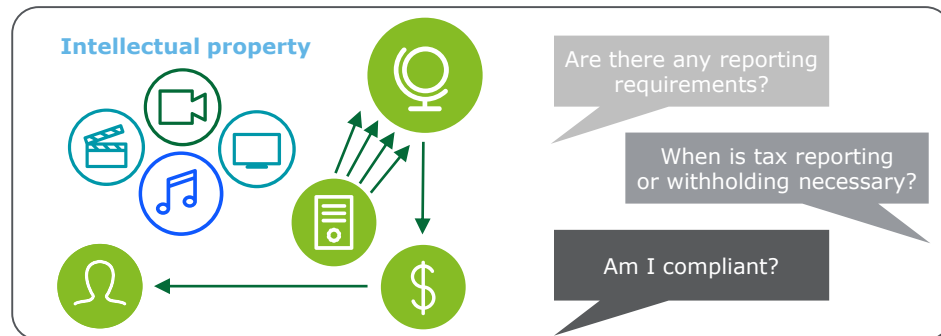


## Tax information reporting requirements

Payments made by the entertainment industry



### Issues and concerns

- Payments made to artists and athletes fall into many different categories and may be subject to withholding and reporting
  - Payments made to U.S. artists and entertainers or to US persons for services or the use of intellectual property may be subject to Form 1099 reporting
- Non-US athletes and entertainers are subject to special withholding rules which add additional compliance requirements.
  - Certain foreign entertainers and athletes may benefit from a Central Withholding Agreement (CWA) which requires cooperation from the withholding agent
- Media and entertainment companies may find themselves treated as payment processors subject to Form 1099-K reporting
- Without adequate **procedures controls** to collect documentation and to classify the type and source of the payment and withhold, if required, a company may be liable for any withholding tax.

### How may we help?

- Analyze the impact on the organization
- Advise on identifying impacted payments
- Advise on developing procedures and processes, to classify payments, withhold and report
- Outsourcing assistance to execute compliance
- Immediate advisory services to reduce exposure through remediation
- Tax examination support
- Remediation support
- Development of an operating model that leads to compliance, manages risk, and the desired vendor experience

Financial exposure and payee impacts may result from missed withholding and reporting obligations; it is important to understand these complex rules

## Why Deloitte?

Deloitte's Global Information Reporting ("GIR") practice is a multi-disciplinary group comprised of professionals with extensive tax technical, operations, process and technology knowledge and experience. We work closely with you and your tax and operational teams in your organization to understand your processes and procedures, look for opportunities to streamline workflows, and assist in configuring and deploying the processes and systems necessary to address documentation, withholding and reporting requirements established by federal, state and local regulators.

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