To: UML Faculty, Staff and Students  

From: Michael Accardi, Assistant Comptroller  

RE: Performers and Performing Entities Performing in Massachusetts  

DATE: February 15, 2006  

The Massachusetts Department of Revenue (DOR) has implemented new Massachusetts tax reporting and withholding regulations that require us to withhold 5.3% (the individual income tax rate) on payments made to a performer or a performing entity when total payments made to a single social security number or federal identification number exceed $5,000 for performances during one calendar year.  

A Broad Definition of vendors (performers) subject to tax withholding is as follows:

- Paid entertainer or speaker,
- Actor,
- Singer,
- Musician,
- Dancer,
- Comedian,
- Celebrity,
- Public speaker,
- Lecturer, or
- any person paid to further an entertainer's or speaker's performance such as owner or leader of a performing entity; agent or manager of a performing entity or performer; or writer, director, coach, designer, or member of a sound, light, stage or production crew.

UML requires a Purchase Order (PO) to be initiated for these and all services. The PO Reference field must be coded with “ENT” so we can track billings needed.

- There is no corporation exclusion for either tax reporting or tax withholding.

This new program is effective as of January 1, 2006. The purpose of the program is to assist performers and groups of performers to meet their income tax obligations on income earned in Massachusetts. For more detailed information about this program, please visit the Massachusetts Department of Revenue (DOR) website at www.mass.gov/dor.

For purposes of the Massachusetts Code of Regulations the following terms have the following meanings, unless the context requires otherwise:

**Performer.** A performer may be (i) an athlete such as a wrestler, boxer, golfer, tennis player, sports team member or other athlete who is paid for competing, demonstrating, making a public appearance, or endorsing merchandise, as well as a person paid to further an athlete’s performance or an athletic event performing services such as owner or leader of a performing entity; agent or manager of a performing entity or performer; referee, coach, or trainer; member of a production crew; or (ii) a paid entertainer or speaker, such as an actor, singer, musician, dancer, circus performer, comedian, celebrity, public speaker or lecturer, as well as any person paid to further an entertainer’s or speaker’s performance such as owner or leader of a performing entity; agent or manager of a...
performing entity or performer; or writer, director, coach, designer, or member of a sound, light, stage or production crew.

Performing entity. A corporation, partnership, limited partnership, limited liability company, corporate trust or other entity that employs, engages, or comprises one or more performers.

Each performer earning Massachusetts source income, that has been withheld under this program, may claim a credit for tax withheld on his or her Massachusetts income tax return. The University of Massachusetts will issue a Form 1099-MISC or Form 1042-S reflecting the tax withheld, to the performer or performing entity.

Special rules apply to Promoters and the University suggests Promoters discuss any tax obligations with their tax professional.
Please note that the Massachusetts Department of Revenue may direct the University, acting as a performer withholding agent, to withhold even if the performer or performing entity has not reached the $5,000 threshold if the performer or performing entity is earning substantial Massachusetts source income.

If you have any question, please contact Mike Accardi, phone-978-934-4717 or email: Michael_Accardi@uml.edu