

CANADIAN
ARTISTS
NETWORK



Because Creativity Lives Forever

SUBMISSION FOR THE
PRE-BUDGET CONSULTATIONS
2025 FEDERAL BUDGET

Canadian Artists Network

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RECOMMENDATIONS

Recommendation 1: Provide a Refundable Tax Credit for artistic income

Recommendation 2: Re(Introduce) a four-year income back-averaging system to ensure tax fairness

Recommendation 3: Update the *Copyright Act* to, among other objectives, improve the financial situation of professional artists

Recommendation 4: Provide a special envelope of funding to the Canada Council for the Arts to be directed specifically to older professional artists, including those from Indigenous, racialized, disabled and other equity-deserving communities.

ABOUT THE CANADIAN ARTISTS NETWORK

The Canadian Artists Network CAN is committed to ensuring that senior professional artists can continue to pursue their careers and serve as role models for the next generation. Founded as the Canadian Senior Artists Resource Network [CSARN] in 2011, CAN is the voice of Canada's venerable artists, offering an inclusive, supportive, and like-minded community, as well as programs and services that enable artists of every discipline to remain relevant, connected, informed, and inspired.

CAN is the only organization in Canada that works with experienced professional artists across all disciplines.

Artists don't retire. They begin their professional lives with energy and optimism. They want their work to inspire, to thrill, to empower. And the creative gene does not shut off at 65, 75, or beyond¹. *Creativity Lives Forever* and older artists continue on their creative paths. Their conviction doesn't diminish with age. In fact, our research shows that older artists feel they are doing their best work today; or their best is yet to come².

CAN supports their efforts through a suite of programs and services: a mentoring program that offers older artists an honorarium to share their knowledge with promising young colleagues; a series of webinars that provide information on issues relevant to older artists; networking sessions; an annual conference with notable panelists on themes relevant to senior artists; and a healthcare advisory hotline.

¹ An example is Quebec visual artist Francoise Sullivan who, at the age of 100, still goes to her studio almost every day and is preparing for a showing at the Montreal Museum of Fine Art in the fall of 2023.

² *Senior Artists in Canada*, Hill Strategies Research 2010

CAN's mission is to tell the stories of Canada's elder professional artists. It also contributes to Canada's continuing quest to build a more culturally rich, inclusive, and diverse world in which to live.

The Government must address the precarious financial nature of all professional artists, particularly older artists who are striving to maintain their creativity, through tax measures.

Artists are the original gig workers. As such, they have always led a challenging life when it comes to their finances. Historically, the median income of professional artists is 44% lower than the median income of all workers. As independent contractors, many artists do not have a private pension, and their CPP contributions may not be at the maximum level. Consequently, they lack the comfortable financial cushion enjoyed by many Canadians in their elder years.

But older artists are determined to continue creating and to earn income from their art. As reported in *Senior Artists in Canada*, three out of four older artists say they never intend to stop creating. Another 12% say they will only stop when they enter their 80s.

But many artists report that they are discriminated against because of their age. Ageism, often called 'the last acceptable form of prejudice,' is rampant in the artistic sector. Older performing artists have fewer roles available; writers face difficulties securing contracts as publishers prefer younger authors with whom they can more easily obtain grants; art galleries search for emerging artists. While granting agencies have specific programs for emerging and diverse artists, older artists are typically overlooked, including those seeking to transition to different media.

Senior Artists in Canada found that more than a third of senior artists reported annual income from all sources of less than \$20,000 per year.

In March 2023, the House of Commons Standing Committee on Canadian Heritage *Report on Status of the Artist* included these recommendations:

- "That the Government of Canada amend the Income Tax Act to include a tax deduction for income from copyright to reduce the tax on this type of revenue for professional artists."
- "Should the Government of Canada proceed with any amendments to *the Status of the Artist Act*, those amendments should focus on simplifying and reducing the tax burdens placed on artists and creators."

Recommendation 1: Provide a Refundable Tax Credit for artistic income

The Budget should provide that professional artistic income up to \$10,000 will be eligible for a refundable tax credit of 15%. Such a credit will create a powerful incentive for creativity for artists who are struggling to earn a living from their art, including those

from Indigenous, Black, and other racialized communities, diverse, older, and emerging artists. The necessary definitions and controls are provided in *Income Tax Folio – S4-F14-C1, Artists and Writers*, and in the *Status of the Artist Act*.

Québec provides a tax exemption on copyright income up to \$15,000, and more on a sliding scale. Ireland provides that income of creative artists up to €50,000 is tax-free.

Visual artists face a tax challenge when planning their estate. Under tax rules, visual artists may value unsold works at \$0, while claiming associated business expenses. When they die, Revenue Canada requires that unsold works be reported at full market value, resulting in a substantial tax burden on the artist's estate. This must be corrected.

Recommendation 2: Re(Introduce) a four-year income back-averaging system to ensure tax fairness

Life as a professional artist is often one of boom-or-bust finances, such as the following:

- A visual artist works for years preparing works for a show, during which time they earn little income. When the show opens successfully, they may sell many works within weeks. But this income is compensation for the years of work it took to create them.
- A writer can spend several years working on a film script. When the film is finally made, they will receive a substantial production fee, which is compensation for all of their work to that stage.
- A television actor struggles for years with few gigs and then, unexpectedly, one of their works is licenced by a streaming service, becomes an international hit, and the actor receives a lump-sum royalty payment.

Studies have shown that artists could pay up to 16 percent more income tax if their earnings fluctuate over four years, rather than if they earned the same total amount, but divided equally in each of the four years. This is unfair, and can lead to additional issues:

- An older artist living in subsidized 'rent-geared-to-income' housing will face higher rent because of one good year.
- An older artist's income falls substantially the year following the windfall success. While struggling to make ends meet in the subsequent year, the artist will be faced with a larger-than-normal tax bill³.

The House Standing Committee on Canadian Heritage Report on Status of the Artist endorsed this recommendation in March 2023.

Recognizing the volatility of an artist's income – or, for that matter, any gig worker – by permitting them to average income over four years would ensure they pay their fair share of taxes but not be faced with a higher overall tax burden and a potentially onerous bill.

³ These are real world examples from CAN members. In one case, an older artist was unable to pay his taxes on time. A collection agent from Revenue Canada demanded that he 'max out his credit card' to pay the tax bill.

Recommendation 3: Update the *Copyright Act* to, among other objectives, improve the financial situation of professional artists

The Government has promised for many years that it would update Canada's Copyright Act. This is becoming even more pressing today to ensure artists can protect their work in the age of AI. Several specific changes that will improve the financial situation of many artists are essential.

- Implement an *Artist Resale Right*, to provide that visual artists receive 5% of the value of a work that is re-sold. These works may be sold for a pittance when the artist is young and struggling. But when the artist succeeds, the work can be sold for significantly more. Artists currently receive nothing. This Right would provide a significant financial boost to older artists.
- Performing artists will benefit from the expansion of the *Private Copying Levy* to all technologies used to copy works for private use. Writers, performers and others will benefit financially from the elimination of the Educational Exemption, which currently authorizes educational institutions to freely use and copy works that are copyright-protected.

The Government must develop and implement a Seniors Strategy to address ageism and the needs of an ageing population, including career needs of older professional artists who do not retire.

Senior Artists in Canada revealed that older artists face the same challenges as seniors in the general population: they are worried about their finances, their health, their housing, as well as social isolation. After a lifetime of contributing to society, seniors are often portrayed as being a drain on the healthcare system and other social supports; supports that, ironically, they helped build. In a column in the *Globe and Mail* on October 22, 2022, André Picard wrote, "Our culture reveres youthfulness, vitality, speed. In our money-obsessed society, your value drops precipitously when you retire and stop earning. We classify you in a new category: senior."

We reaffirm that older artists have not lost their value. And they do not retire. Most tell us they are doing their best work today; or they are still developing and their best is yet to come. But, in the society described by André Picard, that knowledge and expertise is often disregarded. And the very real career needs of older professional artists are not supported.

Recommendation 4: Provide a special envelope of funding to the Canada Council for the Arts to be directed specifically to older professional artists, including those from Indigenous, racialized, disabled, and other equity-deserving communities.

CAN also supports proposals from other organizations on healthcare, finances and housing, identified by *Senior Artists in Canada* as issues concerning older artists. Healthcare is an obvious challenge which requires more funding and creative solutions. Housing, too, is getting more difficult for older artists, particularly in major cities such as Toronto, Montréal, and Vancouver, which are the centres of work for the vast majority of professional artists. As property values rise, vacancy rates fall, and gentrification continues, artists are forced out of once-affordable areas. CAN supports strategies proposed by other organizations, including the Canadian Centre for Policy Alternatives, ACTRA, and CARP.

Budget measures must also include a strategy to ensure that older artists who are still working are given the same access to grants, funding and other opportunities as their younger colleagues. This is how to ensure the dignity of Canada's older creatives.

These proposals and recommendations have the full support of the **Canadian Artists Network: Because Creativity Lives Forever.**