



Best Business Practices: Entertainment

Intellectual Property

Every complete music work, script, or edited multimedia is a piece of valuable property - artists must protect their assets to retain their value! Because your intellectual property is the valuable assets that make up your portfolio, you want to ensure they are properly categorized, documented or licensed to retain its value.

Registering your song with a Performing Rights Organization (PRO) allows you to receive royalties, but does not protect against copyright infringement. Similarly, obtaining copyright for all of your creations does not guarantee royalty payment.



Securing a Licensing Deal

Making money off of your soundtracks and music catalogue is largely determined by your estimated value, based on past work.

It is important to properly keep all musical records to make them readily accessible to investors, record labels and distributors upon request.

To accurately determine the value of any licensing deal, investors and companies will request revenue and contractual details of the published or proposed track to determine its value. To ensure your value is properly represented, include all master agreements, master editions, and an itemized budget for each track.

Payments & Taxes

When artists receive payments, tax liability is generally determined by whether the artist qualifies as an independent contractor or an employee. Most independent contractors are required to pay



self employment tax, whereas most employees are subject to withholdings, similar to a traditional job. Generally, most independent entertainers are considered independent contractors, and artists managed by a record label are generally considered employees.