

Business trips of creative persons

The Business Trip Regulation also applies to the taxation of compensation of travel and accommodation expenses and daily allowance for business trips of creative persons specified in the Creative Persons and Artistic Associations Act in connection with their creative activities.

A creative person is an author or a performer who acts in the artistic field of visual arts or applied arts, stage design, audio-visual arts, performing arts, literature, music, architecture. A creative person belongs to one or several artistic associations, which promotes an artistic field and supports the creative activities of creative persons who are members of the artistic association. (In terms of the Creative Persons and Artistic Associations Act and the Copyright Act.)

According to § 3 of the Creative Persons and Artistic Associations Act, **a creative person engaged in a liberal profession** is a creative person who is acting in an artistic field specified in subsection 1 of § 2 of the Creative Persons and Artistic Associations Act and who is not in civil service or is not employed under an employment contract or any other similar contract under the law of obligations. A creative person engaged in liberal profession is entered into the commercial register. Essentially, a creative person engaged in a liberal profession is a sole proprietor, and if a creative person engaged in a liberal profession does not receive income from their creative activity, they have the right to apply for and receive creative support through an artistic association.

The maximum **tax-exempt limits** laid down in the Business Trip Regulation **apply only to creative persons**. Creative persons engaged in liberal profession may not be sent on business trips in such a way and the maximum tax-exempt limits established in the Business Trip Regulation cannot be used.

Conditions of application for and payment of support for creative activity is established in § 16 of the Creative Persons and Artistic Associations Act. In accordance with subsection 2 of § 1 on the Business Trip Regulation No. 110, the said regulation applies to the travel and accommodation expenses paid to a creative person specified in the Creative Persons and Artistic Associations Act in connection with a business trip related to the person's creative work, as well as the daily allowance of the business trip, which are not subject to taxation according to clause 10 of subsection 3 of § 19 of the Income Tax Act. However, the above does not apply to creative persons engaged in liberal profession receiving creative support.

Although in the event of business trips of creative persons, the Business Trip Regulation applies to the taxation of compensation for travel and accommodation expenses and daily allowance, the daily allowance paid above the limit is not taxed as employment income, as generally organisations do not have employment contract relationships with persons sent on business trips.

Amounts exceeding the limit are declared on Annex 1 of form TSD by using the payment type 51.

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