



RECORDING ACADEMY® TAKES LEAD IN CHAMPIONING THE HITS ACT TO SUPPORT INDEPENDENT MUSIC MAKERS DURING COVID-19 PANDEMIC

THE HELP INDEPENDENT TRACKS SUCCEED ACT LETS CREATORS FULLY EXPENSE PRODUCTION COSTS FOR NEW MUSIC UP-FRONT TO STIMULATE REOPENING OF THE MUSIC ECONOMY

SANTA MONICA, CALIF. (JULY 31, 2020) — Today, the Recording Academy® joined Rep. Linda T. Sánchez (D-Calif.) and Rep. Ron Estes (R-Kansas) to announce the Help Independent Tracks Succeed (HITS) Act, which allows an individual to fully expense for tax purposes the cost of new studio recordings on their taxes, up to \$150,000, within the same year of production.

Music creators are among the American workers hardest hit by the coronavirus pandemic. The HITS Act creates a foothold for recovery. Without it, the costs of making new music may be prohibitive to creators following months of lost income.

"The Recording Academy is proud to have worked alongside Reps. Sánchez and Estes to develop the key provisions in the HITS Act," said Harvey Mason jr., Chair and Interim President/CEO of the Recording Academy. "The HITS Act will make a meaningful impact and help ease the financial burden for thousands of independent creators getting back on track, eager to share their creativity with the world. It will inspire new music and create opportunities for many of the vulnerable professionals in our community to persevere during these uncertain times."

Currently, individual recording artists and record producers are required to amortize production expenses for tax purposes over the economic life of a sound recording, typically 3-4 years. The HITS Act allows artists and producers to choose to deduct 100 percent of their production expenses for records created in the United States in the year such expenses are incurred, in the same manner that qualified film and television production expenses are allowed to be expensed. Expenses can include studio equipment, studio rental fees, staff costs, electricity, studio musicians, and much more.

"We are living through tough times and nothing helps you escape like turning on your favorite album," said Rep. Sánchez. "Similar to many families and workers across the country, the coronavirus has also had an enormous impact on music makers. Gigs have been canceled, studios shuttered, and creative writing sessions postponed. I'm proud to introduce the HITS Act with Rep. Estes. Our bill will provide small, independent creators with a bit of help getting back to work, making the music we turn to in good times and bad."

"Music is a powerful language that connects people of varying generations, backgrounds and experiences," said Rep. Estes. "The men and women who make music — either through writing, singing, playing or producing — deserve to have the same tax benefits as artists in the film, television and live theater industries. The HITS Act is sound legislation that supports our creative communities throughout the United States and encourages music makers of all sizes and notoriety."



Many music creators watched their incomes disappear as concerts were cancelled, bars and restaurants shuttered, and recording studios closed. The median income for a professional musician is less than \$25,000 a year, and independent music professionals will be among the last to return to work as the nation gradually reopens. As the only organization representing all music creators, the Recording Academy will continue to support government assistance that will help music creators navigate their way through this unprecedented time and subsequent recovery period.

ABOUT THE RECORDING ACADEMY

The Recording Academy represents the voices of performers, songwriters, producers, engineers, and all music professionals. Dedicated to ensuring the recording arts remain a thriving part of our shared cultural heritage, the Academy honors music's history while investing in its future through the GRAMMY Museum®, advocates on behalf of music creators, supports music people in times of need through MusiCares®, and celebrates artistic excellence through the GRAMMY Awards®—music's only peer-recognized accolade and highest achievement. As the world's leading society of music professionals, we work year-round to foster a more inspiring world for creators.

For more information about the Academy, please visit www.grammy.com. For breaking news and exclusive content, follow @RecordingAcad on [Twitter](#), "like" Recording Academy on [Facebook](#), and join the Recording Academy's social communities on [Instagram](#), [YouTube](#), and [LinkedIn](#).

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