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Dear Minister,

I am writing regarding the proposed review of the Artists' Tax Exemption (Section 2, Finance Act, 1969, and Section 195, Taxes Consolidation Act, 1997). I am in the unusual situation of qualifying for exemption under two different sections; as an artist/illustrator, and as a writer. You will not be surprised then, when I appeal to you to leave the exemption as it is. Let us accept that this letter is written for largely selfish reasons, and skip on to the more important reasons why tax relief for artists should continue unabated. Just because I'm looking after my own interests, doesn't mean I can't make points of national importance too. After all, that is the nature of politics, isn't it?

I moved to London in 1998 because it was hard to make a living as an artist/illustrator in this country; even *without* the exemption, I could make more money abroad. It's why there are not many full-time illustrators in Ireland – they've all left. In 2002, I decided to put all my efforts into getting published as a writer, and quit a good job in advertising to return and make a go of it back here. The Artists' Exemption was part of my reason for returning. In less than two years, I have had four books for children and young adults published through O'Brien Press, and am being published in Britain, the U.S., Russia, Germany and Portugal. I have three more books coming out this year, and am working on a number of new projects, most of them for the children's market.

I support myself by working part-time as an illustrator (it's not exactly stable, but it's a living), which allows me to arrange my time in order to do residencies in schools all

over the country. Without the Artists' Exemption, I would have to get a full-time job, ruling out the possibility of further residencies, and reducing the time I can spend writing. You see, most writers in Ireland have full-time jobs doing something else; publishing does not make you a lot of money unless you reach the 'rich and famous' level. And there are precious few who do. I am not a 'struggling artist' – I work for a living, and I got into this game knowing that it would be tough going. It's an unconventional existence, and I accept the problems that come with it. Moving to London was a commercial decision, moving back was an artistic one. I came back here, because the exemption has created an environment that encourages writers, and Dublin in particular has become a cultural hub, an exciting, and inspiring place to work.

From a business point of view, writers face some unique disadvantages. Let me outline some of the more peculiar problems:

It can take months, even years to write a book. During this time, we support ourselves with another profession – most advances from publishers are token gestures. This investment of time, effort and creativity is a complete gamble, there is no guaranteed return. For the vast majority of us, the returns are small even when we are moderately successful. And we don't get paid until six months after the end of the financial year in which our book is published. I get published this year, I see the royalties from it in late 2006, or even 2007.

Where royalties are concerned, we take a percentage of what is left *after* the other parties involved – the retailers, the distributors, and the publishers – take theirs. All of their percentages take into account the tax they will pay on the sale of our books. Everything is on a sale-or-return basis, and if the seller decides to discount the stock, we get a proportionally reduced payment. We have no say in the prices of the books we write.

Irish publishers don't have the marketing budgets to compete with their British counterparts. Writers take a smaller cut than the publishers, but we are expected to do most of our own promotional work and advertising. We have no choice, if we want to sell our books. But most of us have jobs, so either we can't spare much time, or we spend the time at the cost of our other career.

I make less than a euro per book; I could have a bestseller in the Irish market, and still not make a living from it in any given year – the market is too small. I have to sell into other markets, which means *promoting* it in other markets. If my main market

turned out to be Britain, or the U.S., it would be in my interests to spend my time there. Without the exemption here, it would be simpler to live there. No big name Irish author is going to have their main market in Ireland.

Go into any of the major chain bookshops in Ireland, and you will see that it is the British-published books that are considered the mainstream – Irish publishing is treated like a cottage industry. I don't write particularly Irish-interest stories, and yet my books are in the 'Irish Published' or 'Irish Interest' sections, not in the relevant sections for their subject matter, where my potential readers are more likely to find them. It is ironic, but to be given proper shelf space in *Irish* bookshops, you have to be with a *British* publisher. Another reason to take my work to the U.K. or elsewhere.

We are the only profession in the world who have the work they are trying to sell given away for *free*, en masse, by *publicly-funded institutions*. The same libraries and schools I spend so much time visiting, lend my books for free. That said, I love the idea of libraries, and will always support them; their contribution can never be measured by how much money they make the country. Nor can that of writers.

Fifty years after my death, my work will be public property. Imagine building a house, putting your money, your blood, sweat and tears into it, knowing that after you're gone, your family will have to move out, and anybody who wants to make money out of all your effort is free to do so. I agree with this principle of ending copyright after a certain amount of time; art should be for everyone. But if I was a builder, or banker, or a businessman instead of a writer, it wouldn't pose a problem, would it?

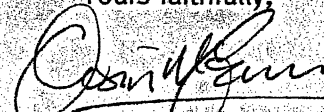
The Artists' Exemption is a great thing – it has helped make Ireland a cosmopolitan, cultural capital. Artists – including some of the most successful in their fields – come from all over the world to live here. They contribute to our culture, they spend their money, and they draw in the tourists. To do away with tax relief for artists, or even to cap it, would drive the big names at the forefront of our culture back to the markets where they actually *make* their money, and force the rest of us to consider where we will have to go if we want to achieve the same success. Irish publishing, and children's publishing in particular, would suffer hugely. Check for yourself and see how many Irish publishers have already stopped producing children's books in the last few years.

The superstars who have made their fortunes have tax consultants to advise and protect them, they know how to work the system. And many of the rest of us could be tempted to seek greener shores, or even worse, give up altogether. To remove, or water down the Artists' Exemption could end up losing, rather than gaining the country

tax money, and the drain of talent from our small island could potentially do far greater damage.

The system works – it's doing what it was designed to do. Please let it continue.

Yours faithfully,



Oisín McGann.