

Exotic Dancers Do Their Taxes a Little Differently Than You

When you get paid in dollar bills and earn tax breaks for sexy lingerie, keeping track of earnings and expenses can get complicated.



by [Becky Ferreira](#)

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Strip clubs are all about indulging fantasies, from the acrobatic moves to the provocative outfits. But after a night in the club or a gig at a party, these entertainers hang up their lingerie, take off their pleaser heels, and face the same financial realities as everyone else.

This includes paying taxes on their annual income, which in the US [averages around \\$47,000](#)—all of which comes in the form of cash tips from their audience. Like many aspects of the adult entertainment industry, there is an air of secrecy surrounding finance and taxes, both for privacy reasons and because there's so much variation within the profession. Some may view performing as an odd job, while others, like [Bronx-based dancer Mona Marie](#), build whole businesses and communities from their entertainment work.

“In our industry, money is a touchy subject so we really don't talk about taxes,” Marie, who owns the [pole-dancing studio Poletic Justice](#), told me over the phone. “Every dancer is different, and every entertainer has different things going on. She may be filing taxes under her business, or filing taxes under her own brand.”

That said, there are a few somewhat consistent factors that dancers should keep in mind when preparing for tax season. Most performers are considered self-employed independent contractors, and they typically pay house fees to clubs for the opportunity to perform and earn cash tips. Some industry advocates [have taken legal actions](#) to get dancers on the official payroll at clubs, but that effort is still a work in progress, Marie told me.

“I’m hoping that we do get a salary, or some type of hourly rate, but I find that so hard to believe,” she said. “It’s still a hustle, so it all depends.” So for the time being, dancers are primarily earning income as tips, which can be harder to keep track of than standard direct deposit or check payments that come with a salary or hourly wage.

Like any independent contractor—including babysitters, photographers, hair stylists, and comics—dancers should estimate their gross income, deductions, and credits. The IRS suggests keeping [a daily log](#) of cash tips, plus there are multiple apps that can help contractors keep up to date on their cash income, including [Tip Tracker](#), [TipSee](#), [Just the Tips](#), or [Tip Counter](#). Even easier? Contractors can calculate their income from an average week, then multiply that by 52, or however many weeks in a year they normally work.

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Lori St. Kitts, founder of Seattle-based [tax preparation business Tax Domme](#) and [author](#) of *The Tax Domme's Guide for Sex Workers and All Other Business People*, told me dancers should also set up a payment schedule with the IRS, to avoid owing a large lump sum at tax time.

“Putting enough aside for taxes would require paying quarterly estimated taxes,” she said in an email. “You use [Form 1040-ES](#) to figure out your estimated tax. You can use your prior year income, credits, and deductions to figure out the amount of income you expect to make to figure out your current year estimated tax.”

In this scenario, a dancer would be filing income on [schedule C of the 1040 form](#), which is the option for self-employed/sole proprietor. St. Kitts suggested setting up automatic payments from a savings account to the IRS in order to keep pace with taxes throughout the year.

Breast implants may be a legitimate business expense

But just as dancers should keep track for their cash income, they also need to keep a record of their expenses. That means saving receipts and records of work-related expenses, which can include outfits, transportation costs, and promotional/marketing purchases. In one [interesting case](#), the dancer Chesty Love wrote off her breast implants, which the IRS agreed were deductible because they constituted a part of her stagecraft.

“You’ve got to understand that as an entertainer, everything that we do is for work,” Marie told me. “Our hair, our makeup, our traveling, the clothes we wear—that’s all for work. We need to make sure that our appearance is up to date, we need to make sure that our outfit is on point, and we need to make sure that we can get to and from work, so all that ends up being jotted down.”

When it comes to deductions, dancers should come up with an intuitive tracking system so that they aren't left with a pile of intermixed receipts at tax time, according to Rus Garofalo, founder of [Brass Taxes](#), a tax firm that specializes in freelance contractors.

Garofalo recommends labeling some envelopes with common deduction categories—supplies, meals, transportation, as examples—and putting them in an accessible place in your home. Whenever you have receipts from certain categories, you can drop them into the right folder and add them up once it's time to file your return.

"You're trying to encourage good behavior so put in as few barriers as possible," he said. "Don't be under the illusion that because you care about taxes and expenses right now, you're going to care four months from now when you spend three dollars. You need to have a workflow that's easy for you."

Always practice safe tax practices

When you're working a job that is primarily paid in cash, it might be tempting to fudge your income, or omit it from a return entirely. "Musicians, bartenders, babysitters—these industries where they make a lot of cash, and something about it, for one reason or another, doesn't quite feel like real money. It feels off the radar," Garofalo said.

But it's just not worth the headache of worrying about an audit. "Things go from 'under the table' which is a cute colloquialism to tax evasion when it's over 25 percent of your gross income," he added. Take the example of a hypothetical person who made \$14,000 in cash only claiming \$10,000 on their tax return. "Maybe you saved a grand, but is committing a felony worth a grand?"

In other words, when the club audience makes it rain, be sure that some of those stacks get set aside for Tax Day.