



# Drag Laureate of San Francisco



## Frequently Asked Questions (FAQ)

What are some examples of the duties and activities the inaugural Drag Laureate will lead?

The Drag Laureate will deliver an inaugural event in honor of this new position and will be expected to serve as an official ambassador for San Francisco's drag community by attending community and civic events. Additionally, the Drag Laureate will produce Drag-centered events and programming centered on celebrating and supporting San Francisco's dynamic and diverse LGBTQI+ community, in collaboration with San Francisco Public Library, Friends of the San Francisco Public Library, the San Francisco Arts Commission, and other City departments and community partners.

Will the Drag Laureate grant award be given in a lump sum or monthly?

The grant award can be offered in a lump sum or can be split between the two calendar years of the Laureate's 18-month term. The inaugural Drag Laureate will receive an honorarium of \$55,000 to carry out 18 months of service in the role.

Will the Drag Laureate act as a guide or ambassador for San Franciscans and visitors to the City's drag community?

Yes, the inaugural Drag Laureate will lift up the storied drag history of San Francisco and will act as an ambassador to the City's drag community. The incumbent will lead the way for revolutionary new representation that highlights the significant contributions of the LGBTQI+ community. Toward the end of their term, the inaugural Drag Laureate will also help promote the search for and support the selection of the next Laureate.

What are the tax implications of receiving the Drag Laureate award?

Any monies received are taxable to the recipient. Please consult with your Tax Advisor for detailed advice.

Is the award taxable as income?

The award is taxable; depending on the core activity, the monies could be subject to Social Security tax.

Would receiving the award affect disability or unemployment benefits?

Unemployment benefits are not affected. Disability benefits are affected; the recipient would need to report this income to SSI if they participate in the program.



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Could the award be identified as a royalty instead of stipend to offset tax implications?

It can, but it would be subject to Social Security Tax, as the recipient would be adding the income to a Schedule C where they can put in deductions/write offs.

For the laureate to accept the award as a “royalty” would the recipient likely need to be incorporated themselves as a business?

Yes. Below is a snapshot of a 1099 form; if you don’t want the income to be subject to Social Security Taxes, the monies would be in Box 3. Anywhere outside of that box on the 1099 MISC Form, could be subject to Social Security taxes. Most importantly, applicants should speak with their Tax Advisor for advice.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents \$	OMB No. 1545-0115 Form <b>1099-MISC</b> (Rev. January 2022) For calendar year 20__	<b>Miscellaneous Information</b>
		2 Royalties \$		
		3 Other income \$	4 Federal income tax withheld \$	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds \$	6 Medical and health care payments \$	
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$	
Street address (including apt. no.)		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$	
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale \$	12 Section 409A deferrals \$	
		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	
Account number (see instructions)		15 Nonqualified deferred compensation \$	16 State tax withheld \$	
		17 State/Payer's state no.	18 State income \$	

Form **1099-MISC** (Rev. 1-2022) (keep for your records) [www.irs.gov/Form1099MISC](http://www.irs.gov/Form1099MISC) Department of the Treasury - Internal Revenue Service