Rightsholders involved with music

* Songwriter/Composer
* Publisher
* Performers
* Engineers

Rights involved with music/Licensing

* Synchronization Rights
* Publishing Rights
* Broadcast Rights
* Royalties
* Copyright
* Performance Rights
* Master Use
* Exclusivitiy
* Individual/Custom Licenses
* Composition vs Master Recording
* Covers/Mechanical Licenses (Harry Fox)
  + Interestingly, cover licenses are compulsory. If you released a song, anyone can and may cover it, assuming that you are being compensated for that cover. You cannot deny someone the right to make a cover, barring a slander claim.
  + Derivative works on the other hand, like changed lyrics, do require permission.

Fair Use Exemption

Sampling is technically illegal. Using pieces from other works is currently defined as an illegal act unless express permission is given from the copyright holder. In the best case, the new work is simply ignored. Worst case scenario, you can be sued for damages or court ordered to take the offending samples out of a final mix.

Weird Al falls under fair use as his pieces fall under parody, enough of a change to the fundamental source that they do not detract from sales of the original work. He still gathers written permission, however, to essentially hedge his bets against a potential suit. He would likely win any suit brought forth but gathering permission prevents the process from beginning in the first place.

Section 110

This essentially covers non-profit usage (i.e. educational institutions, churches, non-profit theaters). Section 5 is interesting as it covers small businesses but only if the music is played over a radio or radio like streaming service. If a business uses CD’s or a similar playback system they are not exempt from royalty payments.

PRO’s

* BMI
* ASCAP

Tax Law and how it pertains to musicians/engineers

The IRS views musicians and bands that earn money, no matter how little, as small businesses. If you begin to earn any semblance of decent money doing music, you or your band will need to apply for a business license and begin tracking income (wages, gigs, licensing fees, etc) and expenses. This also means you will have to file taxes separately as that business or bring the business under your own name and file as a sole proprietor, which can be done as part of your own taxes.

Why sole proprietor vs an LLC or equivalent?

The Music Modernization Act