

Virtual Training Series

# Rideshare Taxes: What Your Tax Volunteers Should Know

Center on Budget & Policy Priorities

November 14, 2018

Francesca Jean-Baptiste

*CASH Campaign of Maryland*



# Before We Get Started

This training is being recorded and will be available within one week.

You should be able to access the audio either through your computer or by calling.

Ask a question by typing it in the questions box.

You can chat with the panelists and other participants through the chat box.

# Virtual Training Series

---

Features the expertise of campaign partners in the field

Focuses on specific outreach strategies and skills that you can begin to apply to your work immediately



# Get It Back Campaign

National effort to connect eligible workers to tax benefits

Promote the Earned Income Tax Credit, the Child Tax Credit, free tax preparation, and other tax benefits

Work with a network of diverse partners

Provide outreach tools, trainings, and resources to help you link eligible workers to the tax credits and free tax help

[www.eitcoutreach.org](http://www.eitcoutreach.org)

# CASH CAMPAIGN OF MARYLAND

*Creating Assets, Savings and Hope*

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability.

# RIDESHARE TAXES

.....  
How to help drivers figure out  
their taxes...



# WHY THIS MATTERS?

---

- ▶ Close to 2 million Uber /Lyft Drivers in the U.S.
- ▶ Many drivers do not realize they are self-employed and the tax implications for them
- ▶ Many drivers do not understand record keeping or quarterly estimated tax payment requirements and whether they needed to file

# TOPICS

---

▶ Income

▶ Expenses

▶ Recordkeeping

▶ Other Tax Issues

▶ Tools & Resources



# INCOME

---



# INCOME – GENERAL

- Driver's own receipts and records, if any
- Uber or Lyft Account Summaries
- Form 1099-Misc
- Form 1099-K

VOID     CORRECTED

|   |  |  |  |   |                             |
|---|--|--|--|---|-----------------------------|
| PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. |  | 1 Rents<br>\$  |  | OMB No. 1545-0115<br><b>2018</b><br>Form <b>1099-MISC</b>   | <b>Miscellaneous Income</b> |
|   |  | 2 Royalties<br>\$  |  |   |                             |
|   |  | 3 Other income<br>\$   |  |   |                             |
| PAYER'S TIN   |  | 4 Federal income tax withheld<br>\$  |  | <b>Copy C For Payer</b>   |                             |
| RECIPIENT'S TIN   |  | 5 Fishing boat proceeds<br>\$  |  |   |                             |
| RECIPIENT'S name  |  | 6 Medical and health care payments<br>\$   |  | <b>For Privacy Act and Paperwork Reduction Act Notice, see the 2018 General Instructions for Certain Information Returns.</b> |                             |
| Street address (including apt. no.)   |  | 7 Nonemployee compensation<br>\$   |  |   |                             |
| City or town, state or province, country, and ZIP or foreign postal code  |  | 8 Substitute payments in lieu of dividends or interest<br>\$   |  |   |                             |
| Account number (see instructions)   |  | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> |  |   |                             |
| FATCA filing requirement <input type="checkbox"/>   |  | 10 Crop insurance proceeds<br>\$   |  |   |                             |
| 2nd TIN not <input type="checkbox"/>  |  | 11   |  |   |                             |
| 13 Excess golden parachute payments<br>\$   |  | 12   |  |   |                             |
| 14 Gross proceeds paid to an attorney<br>\$   |  | 15a Section 408A deferrals<br>\$   |  |   |                             |
| 15b Section 409A income<br>\$   |  | 16 State tax withheld<br>\$  |  |   |                             |
|   |  | 17 State/Payer's state no.   |  | 18 State income<br>\$   |                             |

Form **1099-MISC**    www.irs.gov/Form1099MISC    Department of the Treasury - Internal Revenue Service

VOID     CORRECTED

|  |  |   |  |  |  |
|--|--|---|--|--|--|
| FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  |  | FILER'S TIN   |  | OMB No. 1545-2205<br><b>2018</b><br>Form <b>1099-K</b> | <b>Payment Card and Third Party Network Transactions</b> |
|  |  | PAYEE'S TIN   |  |  |  |
| 1a Gross amount of payment card/third party network transactions<br>\$   |  | 2 Merchant category code  |  | <b>Copy 1 For State Tax Department</b>                 |  |
| 1b Card Not Present transactions<br>\$   |  | 3 Number of payment transactions  |  |  |  |
| Check to indicate if FILER is a (an):<br>Payment settlement entity (PSE) <input type="checkbox"/><br>Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/> |  | Check to indicate transactions reported are:<br>Payment card <input type="checkbox"/><br>Third party network <input type="checkbox"/> |  | 4 Federal income tax withheld<br>\$                    |  |
| PAYEE'S name   |  | 5a January<br>\$  |  | 5b February<br>\$                                      |  |
| Street address (including apt. no.)  |  | 5c March<br>\$  |  | 5d April<br>\$   |  |
| City or town, state or province, country, and ZIP or foreign postal code   |  | 5e May<br>\$  |  | 5f June<br>\$  |  |
| PSE's name and telephone number  |  | 5g July<br>\$   |  | 5h August<br>\$  |  |
|  |  | 5i September<br>\$  |  | 5j October<br>\$                                       |  |
|  |  | 5k November<br>\$   |  | 5l December<br>\$                                      |  |
| Account number (see instructions)  |  | 6 State   |  | 7 State identification no.                             |  |
|  |  |   |  | 8 State income tax withheld<br>\$                      |  |

Form **1099-K**    www.irs.gov/Form1099K    Department of the Treasury - Internal Revenue Service

|   |  |  |                                       |  |  |   |
|---|--|--|---------------------------------------|--|--|---|
| 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                                      |  | <b>Miscellaneous<br/>Income</b>   |
|   |  | \$   |                                       | <b>2018</b>  |  |   |
|   |  | 2 Royalties  |                                       |  |  |   |
| PAYER'S TIN   |  | 3 Other income   |                                       | 4 Federal income tax withheld                          |  | <b>Copy C<br/>For Payer</b>   |
|   |  | \$   |                                       | \$   |  |   |
| RECIPIENT'S TIN   |  | 5 Fishing boat proceeds  |                                       | 6 Medical and health care payments                     |  | For Privacy Act and Paperwork Reduction Act Notice, see the <b>2018 General Instructions for Certain Information Returns.</b> |
|   |  | \$   |                                       | \$   |  |   |
| RECIPIENT'S name  |  | 7 Nonemployee compensation   |                                       | 8 Substitute payments in lieu of dividends or interest |  |   |
| Street address (including apt. no.)   |  | \$   |                                       | \$   |  |   |
| City or town, state or province, country, and ZIP or foreign postal code  |  | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> |                                       | 10 Group insurance proceeds                            |  |   |
|   |  | 11   |                                       | 12   |  |   |
| Account number (see instructions)   |  | FATCA filing requirement <input type="checkbox"/>  | 2nd TIN not. <input type="checkbox"/> | 13 Excess golden parachute payments                    |  | 14 Gross proceeds paid to an attorney   |
|   |  |  |                                       | \$   |  | \$  |
| 15a Section 409A deferrals  |  | 15b Section 409A income  |                                       | 16 State tax withheld                                  |  | 17 State/Payer's state no.  |
| \$  |  | \$   |                                       | \$   |  | \$  |
|   |  |  |                                       | \$   |  | \$  |

VOID     CORRECTED

|   |                          |  |  |   |                                      |
|---|--------------------------|--|--|---|--------------------------------------|
| 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                                      |   | <b>2018</b><br>Form <b>1099-MISC</b> |
|   |                          | 2 Royalties  | <b>Miscellaneous Income</b>                            |   |                                      |
|   |                          | 3 Other income   |  |   | 4 Federal income tax withheld        |
|   |                          | 5 Fishing boat proceeds  | 6 Medical and health care payments                     |   |                                      |
| PAYER'S TIN   | RECIPIENT'S TIN          | 7 Nonemployee compensation   | 8 Substitute payments in lieu of dividends or interest | <b>For Privacy Act and Paperwork Reduction Act Notice, see the 2018 General Instructions for Certain Information Returns.</b> |                                      |
| RECIPIENT'S name  |                          | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer | 10 Crop insurance proceeds                             |   |                                      |
|   |                          | 11   | 12   |   |                                      |
| Account number (see instructions)   | FATCA filing requirement | 2nd TIN not.   | 13 Excess golden parachute payments                    |   |                                      |
| 15a Section 409A deferrals  | 15b Section 409A income  |  | 16 State tax withheld                                  | 17 State/Payer's state no.  | 18 State income                      |
| \$  | \$                       |  | \$   | \$  | \$                                   |

Form **1099-MISC**    [www.irs.gov/Form1099MISC](http://www.irs.gov/Form1099MISC)    Department of the Treasury - Internal Revenue Service

**UBER:**

1099-MISC will be provided if the driver earns at least \$600 received directly from Uber, rather than from individual rider fares. Examples include incentive payments, driver referral payments, and “join and support” payments.

**Lyft:**

1099-MISC will be provided if the drivers earns at least \$600 from activities other than driving (ex. referral bonuses, Express Drive bonuses, Mentoring or other incentives).

CORRECTED (if checked)

|  |  |   |                                   |   |  |
|--|--|---|-----------------------------------|---|--|
| FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  |  | FILER'S TIN   | OMB No. 1545-2205                 |   |  |
|  |  | PAYEE'S TIN   | <b>2018</b><br>Form <b>1099-K</b> |   |  |
|  |  | <b>1a</b> Gross amount of payment card/third party network transactions<br>\$   |                                   |   |  |
| Check to indicate if FILER is a (an):<br>Payment settlement entity (PSE) <input type="checkbox"/><br>Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/> |  | <b>1b</b> Card Not Present transactions<br>\$   | <b>2</b> Merchant category code   | <b>Copy 2</b><br><br>To be filed with the recipient's state income tax return, when required. |  |
|  |  | Check to indicate transactions reported are:<br>Payment card <input type="checkbox"/><br>Third party network <input type="checkbox"/> |                                   |   | <b>3</b> Number of payment transactions  |
| PAYEE'S name   |  | <b>5a</b> January<br>\$   | <b>5b</b> February<br>\$          |   |  |
|  |  | <b>5c</b> March<br>\$   | <b>5d</b> April<br>\$             |   |  |
| Street address (including apt. no.)  |  | <b>5e</b> May<br>\$   | <b>5f</b> June<br>\$              |   |  |
|  |  | <b>5g</b> July<br>\$  | <b>5h</b> August<br>\$            |   |  |
| City or town, state or province, country, and ZIP or foreign postal code   |  | <b>5i</b> September<br>\$   | <b>5j</b> October<br>\$           |   |  |
|  |  | <b>5k</b> November<br>\$  | <b>5l</b> December<br>\$          |   |  |
| PSE'S name and telephone number  |  | <b>6</b> State  | <b>7</b> State identification no. |   | <b>8</b> State income tax withheld<br>\$ |
| Account number (see instructions)  |  |   |                                   |   | \$                                       |

Form **1099-K**

[www.irs.gov/Form1099K](http://www.irs.gov/Form1099K)

Department of the Treasury - Internal Revenue Service

# 1099-K

CORRECTED (if checked)

|  |  |   |   |  |  |  |  |
|--|--|---|---|--|--|--|--|
| FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  |  | FILER'S TIN   | OMB No. 1545-2205                       | <b>2018</b>  | <b>Payment Card and<br/>Third Party<br/>Network<br/>Transactions</b> |  |  |
|  |  | PAYEE'S TIN   | Form <b>1099-K</b>                      |  |  |  |  |
|  |  | <b>1a</b> Gross amount of payment card/third party network transactions<br>\$   | <b>2</b> Merchant category code         | <b>Copy 2</b>  |  |  |  |
|  |  | <b>1b</b> Card Not Present transactions<br>\$   | <b>3</b> Number of payment transactions |  |  |  |  |
| Check to indicate if FILER is a (an):<br>Payment settlement entity (PSE) <input type="checkbox"/><br>Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/> |  | Check to indicate transactions reported are:<br>Payment card <input type="checkbox"/><br>Third party network <input type="checkbox"/> |   | <b>4</b> Federal income tax withheld<br>\$                               |  |  |  |
| PAYEE'S name   |  | <b>5a</b> January<br>\$   | <b>5b</b> February<br>\$                | To be filed with the recipient's state income tax return, when required. |  |  |  |
| Street address (including apt. no.)  |  | <b>5c</b> March<br>\$   | <b>5d</b> April<br>\$                   |  |  |  |  |
| City or town, state or province, country, and ZIP or foreign postal code   |  | <b>5e</b> May<br>\$   | <b>5f</b> June<br>\$                    |  |  |  |  |
| PSE'S name and telephone number  |  | <b>5g</b> July<br>\$  | <b>5h</b> August<br>\$                  |  |  |  |  |
| Account number (see instructions)  |  | <b>5i</b> September<br>\$   | <b>5j</b> October<br>\$                 |  |  |  |  |
|  |  | <b>5k</b> November<br>\$  | <b>5l</b> December<br>\$                |  |  |  |  |
|  |  | <b>6</b> State  | <b>7</b> State identification no.       |  |  | <b>8</b> State income tax withheld<br>\$ |  |
|  |  |   |   |  |  | \$                                       |  |

Form **1099-K**      www.irs.gov/Form1099K      Department of the Treasury - Internal Revenue Service

**UBER:**  
 1099-K will report payments received from riders ONLY IF the driver has more than \$20,000 in customer payments AND provided at least 200 rides or deliveries.

**LYFT:**  
 1099-K will report the gross receipts from all rides paid from passengers over \$600.

VOID  CORRECTED

|  |  |   |  |   |  |
|--|--|---|--|---|--|
| FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  |  | FILER'S TIN   | OMB No. 1545-2205                          |   | <b>Payment Card and<br/>Third Party<br/>Network<br/>Transactions</b>                             |
|  |  | PAYEE'S TIN   | <b>2018</b><br><br>Form <b>1099-K</b>      |   |  |
|  |  | <b>1a</b> Gross amount of payment card/third party network transactions<br><b>\$ 10,108.95</b>  |  |   |  |
| Check to indicate if FILER is a (an):<br>Payment settlement entity (PSE) <input type="checkbox"/><br>Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/> |  | Check to indicate transactions reported are:<br>Payment card <input type="checkbox"/><br>Third party network <input type="checkbox"/> |  | <b>1b</b> Card Not Present transactions<br>\$ | <b>2</b> Merchant category code  |
| PAYEE'S name   |  | <b>3</b> Number of payment transactions<br><b>1016</b>  | <b>4</b> Federal income tax withheld<br>\$ |   | \$1,811.21<br><br>\$1,041.28<br><br>\$2,077.27<br><br>+ \$244.34<br><br>\$5,174.02<br><br>?????? |
| Street address (including apt. no.)  |  | <b>5a</b> January<br>\$   | <b>5b</b> February<br>\$                   |   |  |
| City or town, state or province, country, and ZIP or foreign postal code   |  | <b>5c</b> March<br>\$   | <b>5d</b> April<br>\$                      |   |  |
| PSE'S name and telephone number  |  | <b>5e</b> May<br>\$   | <b>5f</b> June<br>\$                       |   |  |
| Account number (see instructions)  |  | <b>5g</b> July<br>\$  | <b>5h</b> August<br>\$                     |   |  |
|  |  | <b>5i</b> September<br><b>\$1,811.21</b>  | <b>5j</b> October<br><b>\$ 1,041.28</b>    |   |  |
|  |  | <b>5k</b> November<br><b>\$2,077.27</b>   | <b>5l</b> December<br><b>\$ 244.34</b>     |   |  |
|  |  | <b>6</b> State  | <b>7</b> State identification no.          | <b>8</b> State income tax withheld<br>\$      |  |
|  |  |   |  | \$  |  |

Form **1099-K**

www.irs.gov/Form1099K

Department of the Treasury Internal Revenue Service

\*For Lyft, Box 1a will include Lyft commission fees and tolls.  
 \*For Uber, Box 1a will include expenses Uber paid for on the driver behalf.

# OTHER FORMS NEEDED

- ▶ Uber Tax Summary
- ▶ Uber breakdown of annual earnings and business related expenses
- ▶ Lyft Driving Summary



Thanks for driving with Uber in 2017. Below is a breakdown of your earnings over the year that may help you file your taxes.

Driving Totals 93 1007.60

Online Miles shows all of the miles you drove while online, including off trip miles. COMPLETED TRIPS ONLINE MILES



Your Gross Earnings

Total Trip Earnings from Uber plus any other additional earnings

Gross Income

Gross Trip Earnings + \$ 1164.41

Total Additional Earnings + \$ 5.42

\$ 1169.83



Expenses, Fees and Tax

Expenses, Fees and Tax. For a complete breakdown, please refer to table 1 on page 2.

Expenses, Fees and Tax - \$ 355.82

\$ 355.82



Your Net Payout

Not for tax filing purposes. This amount represents what was paid in your bank account.

Net Trip Earnings \$ 806.01

Reimbursements: Tolls, Airport Fees and Surcharges + \$ 8.00

= \$ 814.01



Table 1 - Expenses, Fees and Tax

All items marked with a \* may be tax deductible. Your online mileage may also be deductible. Need help filing? Get help from the tax experts. Visit [t.uber.com/turbotax](http://t.uber.com/turbotax) or consult a tax professional for more information.

**Uber Partner Fees**

|   |                  |
|---|------------------|
| Uber Service Fee/Other Adjustments*                   | \$ 167.7225      |
| Booking Fee*  | \$ 183.1         |
| Split Fare Fee*                                       | \$ 1             |
| Airport and/or City Fee Paid by Uber or Subsidiaries* | \$ 4             |
| Reimbursements: Tolls, Airport Fees and Surcharges    |                  |
| Tolls, Airport Fees and Surcharges*                   | \$ 8             |
| <b>TOTAL EXPENSES FEES AND TAX</b>                    | <b>\$ 363.82</b> |

We made a number of changes in May 2017 to make your earnings easier to understand and access, including updating the Technology Services Agreement (available to active drivers in the "Contracts" section of your partner profile).

"Uber Service Fee / Other Adjustments" includes both the Uber Service Fee and certain other items such as: 1) pricing adjustments due to Uber-provided rider promotions, or 2) differences between the rider's upfront price and your earnings.

Table - 2 Additional Payments from Uber or Subsidiaries

|                                  |                |
|----------------------------------|----------------|
| Referral/Incentive*              | \$ 5.4225      |
| <b>TOTAL ADDITIONAL EARNINGS</b> | <b>\$ 5.42</b> |



## Lyft Driving Summary

The Lyft Driving Summary is not a tax form. Lyft does not provide tax or legal advice. We recommend you consult a tax professional to help file your taxes.

### Total Payments

Total ride payments

Gross ride payments ⓘ

Lyft commission ⓘ

Tolls ⓘ

Total non-ride payments ⓘ

\$4,244.32

\$5,236.51

-\$957.09

-\$35.10

\$1,385.96

Income

### Total Stats

Total rides

435

In ride miles ⓘ

1,663.66 mi

Out of ride miles ⓘ

272.6 mi

Lyft's record of the miles you drove from accepting a ride to picking up the passenger

**WHERE DO I FIND THAT FORM???**

---

# UBER – WHERE TO FIND INCOME & TAX INFO

---

- ▶ Go to [partners.uber.com](https://partners.uber.com)
- ▶ Go to the “Tax Information” tab or page
- ▶ Download the following:
  - ▶ 2018 Tax Summary
  - ▶ 1099-K (if provided)
  - ▶ 1099-MISC (if provided)





## IN APP

---

- Open app
- Tap profile photo in the top left corner
- Tap 'Dashboard'
- Tap the menu icon in the upper corner of the screen
- Tap the "Tax Information" tab
- Available 1099s will appear under "Tax Documents" and can be downloaded from there
- Lyft Driver Summary

## ONLINE DASHBOARD

---

- Log into Dashboard at <https://www.lyft.com/drive/dashboard>
- Click on 'Tax Information'
- Available 1099s will appear under "Tax Documents" and can be downloaded from there
- Lyft Driver Summary

# EXPENSES

---

# BUSINESS DEDUCTIONS – GENERAL

---

- ▶ ORDINARY→ are expenses that are common and accepted in the taxpayer's line of work.
- ▶ NECESSARY→ are expenses that are helpful and appropriate for a particular trade or business.

\*VITA Limit for business deductions  
is \$25,000

# STANDARD MILEAGE DEDUCTION

---

- ▶ \$0.545 per mile (2018)
- ▶ Tolls
- ▶ Parking
- ▶ Business percentage of auto loan interest
- ▶ Personal property taxes

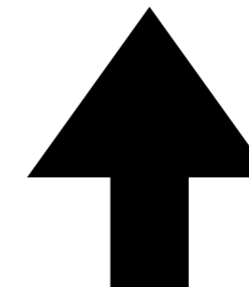
## OTHER DEDUCTIBLE MILEAGE

---

- Miles driven to pick up passengers
- Miles driven returning from drop-off points to a place to wait for another ride request
- And any other mileage related to the business



Tracks both in and out  
of ride miles



Tracks miles while  
online

# ACTUAL CAR EXPENSES

---

- ▶ Car washes
- ▶ Car Depreciation
- ▶ Garage rent
- ▶ Gas & Oil
- ▶ Lease payments
- ▶ Licenses
- ▶ Parking fees
- ▶ Registration fees
- ▶ Vehicle Repairs
- ▶ Tires
- ▶ Tolls
- ▶ Roadside assistance
- ▶ Car loan interest rate



# DEDUCTIBLE EXPENSES – UBER

## Allocable

- ▶ Property Taxes
- ▶ Interest on Auto Loan
- ▶ Lease Payments\*
- ▶ Fuel, Oil, and Tires\*
- ▶ Repairs and Maintenance (including car washes)\*
- ▶ Insurance\*
- ▶ Registration and Tags\*
- ▶ Parking

## Fully deductible

- ▶ The Uber Fee
- ▶ Uber Provided Device Subscriptions
- ▶ Tolls Incurred During On-Trip Mileage
- ▶ Black Car Fund Fees
- ▶ City Fees
- ▶ Airport Fees
- ▶ Split Fare Fees
- ▶ Safe Rides Fees

*Note: (\*) items are included in standard mileage rate*



# DEDUCTIBLE EXPENSES - LYFT

Allocable vs.

Fully deductible

- ▶ Property Taxes
- ▶ Interest on Auto Loan
- ▶ Lease Payments\*
- ▶ Fuel, Oil, and Tires\*
- ▶ Repairs and Maintenance (including car washes)\*
- ▶ Insurance\*
- ▶ Registration and Tags\*
- ▶ Parking

- ▶ Lyft Commission Fees
- ▶ Express Pay Fees
- ▶ Tolls Incurred During On-Trip Mileage
- ▶ Rental Fees

*Note: (\*) items are included in standard mileage rate*



# WHAT MILES ARE DEDUCTIBLE?

---

|  |  |   |
|--|--|---|
| Positioning For a Ride From Home       | Driving to a busy area from home to wait for a ride.           | X |
| Waiting for a Request                  | Get to busy area and log in to app to begin receiving request. | ✓ |
| Request Received: Picking Up Passenger | Receive first request 3 miles away.                            | ✓ |
| Driving a Paying Fare                  | Driving to passenger's desired location.                       | ✓ |
| Driving to get a sandwich              |  | X |
| Positioning For a Ride:                | Driving to another busy area to wait for a ride.               | ✓ |
| Driving home at end of the day         |  | X |

## OTHER DEDUCTIONS \*

---

- ▶ Cost of phone
- ▶ Phone service plan
- ▶ Repairs
- ▶ Accessories, such as chargers, cables, and mounts
- ▶ Snacks and refreshments for passengers
- ▶ Electronic toll transponder
- ▶ Floor mats
- ▶ Office supplies
- ▶ Dash Cams
- ▶ Car tool kit
- ▶ First aid kit
- ▶ Tire inflator and pressure gauge
- ▶ Portable battery jump pack
- ▶ Flashlights and flares
- ▶ Business taxes and licenses
- ▶ Additional (non-auto) insurance for your business
- ▶ Roadside assistance plans
- ▶ Music apps
- ▶ Fees for background checks

\* May be allocable if not just for business use



Standard Mileage Rate

## Lyft Driving Summary

The Lyft Driving Summary is not a tax form. Lyft does not provide tax or legal advice. We recommend you consult a tax professional to help file your taxes.

### Total Payments

|                                  |            |   |
|----------------------------------|------------|---|
| Total ride payments              | \$4,244.32 | ^ |
| Gross ride payments <i>i</i>     | \$5,236.51 |   |
| Lyft commission <i>i</i>         | -\$957.09  |   |
| Tolls <i>i</i>                   | -\$35.10   |   |
| Total non-ride payments <i>i</i> | \$1,385.96 |   |

Fully Deductible Fees

### Total Stats

|                            |            |
|----------------------------|------------|
| Total rides                | 435        |
| In ride miles <i>i</i>     | 1,663.66 m |
| Out of ride miles <i>i</i> | 272.6 m    |

Lyft's record of the miles you drove from accepting a ride to picking up the passenger

Add any additional mileage x 0.545 for total mileage deduction



Standard Mileage Rate

Thanks for driving with Uber in 2017. Below is a breakdown of your earnings over the year that may help you file your taxes.

|                |    |         |
|----------------|----|---------|
| Driving Totals | 93 | 1007.60 |
|----------------|----|---------|

Online Miles shows all of the miles you drove while online, including off trip miles.

COMPLETED TRIPS

ONLINE MILES

Add any additional mileage x 0.545 for total mileage deduction



Your Gross Earnings

Total Trip Earnings from Uber plus any other additional earnings

Gross Trip Earnings + \$ 1164.41

Total Additional Earnings + \$ 5.42

\$ 1169.83



Expenses, Fees and Tax

Expenses, Fees and Tax. For a complete breakdown, please refer to table 1 on page 2.

Expenses, Fees and Tax - \$ 355.82

\$ 355.82



Your Net Payout

Not for tax filing purposes. This amount represents what was paid in your bank account.

Net Trip Earnings \$ 806.01

Reimbursements: Tolls, Airport Fees and Surcharges + \$ 8.00

= \$ 814.01



Table 1 - Expenses, Fees and Tax

All items marked with a \* may be tax deductible. Your online mileage may also be deductible. Need help filing? Get help from the tax experts. Visit [t.uber.com/turbotax](http://t.uber.com/turbotax) or consult a tax professional for more information.

|   |                  |
|---|------------------|
| <b>Uber Partner Fees</b>                              |                  |
| Uber Service Fee/Other Adjustments*                   | \$ 167.7225      |
| Booking Fee*  | \$ 183.1         |
| Split Fare Fee*                                       | \$ 1             |
| Airport and/or City Fee Paid by Uber or Subsidiaries* | \$ 4             |
| Reimbursements: Tolls, Airport Fees and Surcharges    |                  |
| Tolls, Airport Fees and Surcharges*                   | \$ 8             |
| <b>TOTAL EXPENSES FEES AND TAX</b>                    | <b>\$ 363.82</b> |

Fully Deductible Fees

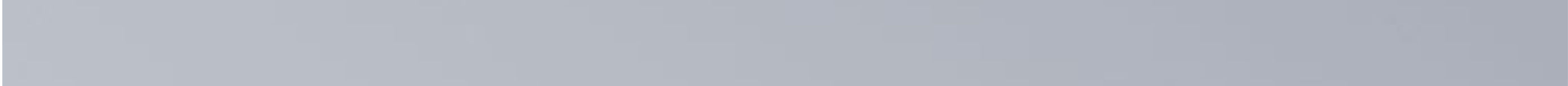
We made a number of changes in May 2017 to make your earnings easier to understand and access, including updating the Technology Services Agreement (available to active drivers in the "Contracts" section of your partner profile). "Uber Service Fee / Other Adjustments" includes both the Uber Service Fee and certain other items such as: 1) pricing adjustments due to Uber-provided rider promotions, or 2) differences between the rider's upfront price and your earnings.

Table - 2 Additional Payments from Uber or Subsidiaries

|                                  |                |
|----------------------------------|----------------|
| Referral/Incentive*              | \$ 5.4225      |
| <b>TOTAL ADDITIONAL EARNINGS</b> | <b>\$ 5.42</b> |



# **RECORDKEEPING**



# TYPES OF RECORDS

---

- Bills
- Credit card statements
- Other receipts
- Invoices
- Mileage logs
- Canceled, imaged or substitute checks or any other proof of payment
- Account Summaries

# MILEAGE LOGS

---

- ▶ Date
- ▶ Destination/Area
- ▶ Business Purpose
- ▶ Miles for trips (ideally starting/ending odometer readings)
- ▶ Description

# BET THERE'S AN APP FOR THAT

---



# RECONSTRUCTING RECORDS

---

- ▶ Easier said than done
- ▶ Start with Uber/Lyft statements
- ▶ Prior Year Return

# OTHER TAX ISSUES

---



W2

1099



Who Is Self-Employed?

# INDEPENDENT CONTRACTOR OR EMPLOYEE?

---

|   | <b>Employees</b>   | <b>Independent Contractors</b>   |
|---|--|--|
| <b>How Income Is Taxed</b>                    | Gross wages minus any pre tax benefits. Subject to income, social security and medicare taxes. | Gross receipts minus allowable business deductions. Subject to income and self employment tax. |
| <b>Federal Taxes</b>                          | Yes  | Yes  |
| <b>States Taxes</b>                           | Yes (Where Applicable)   | Yes (Where Applicable)   |
| <b>Social Security &amp; Medicate taxes</b>   | Yes (pay half; Employer pays other half)   | Yes (pays both halves)   |
| <b>Tax Documents Received</b>                 | Form W-2   | Form 1099-MISC and/or Form 1099-K  |
| <b>Where to Report Income</b>                 | Form 1040, Line 7  | Form 1040, Schedule C  |
| <b>How Taxes Are Paid</b>                     | Through payroll withholding  | Estimated Tax Payments   |
| <b>How Work Related Expenses are Deducted</b> | No longer deductible   | As business deductions on Schedule C   |

# SELF-EMPLOYMENT TAX

---

- An additional tax that self-employed individuals must pay to the federal government to fund Medicare and Social Security
- Due when an individual has over \$400 in self-employment income throughout the course of the year
- Because self-employed individuals work for themselves they have to contribute both the “company” and “employee” portion of the tax

# SELF-EMPLOYMENT TAX RATE

---

- ▶ Calculated according to net income from business
- ▶ For 2018, the self-employment tax rate is 15.3%
- ▶ This includes both the employer and employee share of 12.4% for Social Security and 2.9% for Medicare
- ▶ Tax is figured on Schedule SE
- ▶ 1/2 total amount of self-employment tax is taken as an adjustment on Form 1040

# EMPLOYEES AND BUSINESS INCOME

---

- ▶ Even if a driver works another job with taxes being withheld, they cannot assume these withholdings will be enough to cover self-employment taxes
- ▶ SE tax is an additional tax that is added after income tax liability is calculated
- ▶ It is possible for income taxes to be paid while self-employment taxes are owed
- ▶ Only refundable credits and withholdings will pay down SE tax on the tax return

# QUARTERLY ESTIMATED TAX PAYMENTS

---

- ▶ A way to pay taxes on income that is not subject to withholding.
- ▶ Usually paid in four equal payments throughout the year.
- ▶ General Rules:
  - ▶ Taxpayer expects to owe at least \$1,000 on their 2018 return; AND
  - ▶ Taxpayer expects withholding and refundable credits to be less than the SMALLER of 90% of 2018 tax or 100% of 2017 tax

# FORM 1040 ES & PAYMENT DUE DATES

|   |   |                           |                         |  |                                   |       |
|---|---|---------------------------|-------------------------|--|-----------------------------------|-------|
| Form  | <b>1040-ES</b><br>Department of the Treasury<br>Internal Revenue Service  | <b>2018 Estimated Tax</b> |                         | <b>Payment Voucher 4</b>               | OMB No. 1545-0074                 |       |
|   | File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your social security number and "2018 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher. |                           |                         |  | Calendar year – Due Jan. 15, 2019 |       |
|   |   |                           |                         | Amount of estimated tax you are paying |                                   |       |
|   |   |                           |                         | by check or money order.               | Dollars                           | Cents |
| Print or type   | Your first name and initial   |                           | Your last name          | Your social security number            |                                   |       |
|   | If joint payment, complete for spouse   |                           |                         |  |                                   |       |
|   | Spouse's first name and initial   |                           | Spouse's last name      | Spouse's social security number        |                                   |       |
|   | Address (number, street, and apt. no.)  |                           |                         |  |                                   |       |
|   | City, state, and ZIP code. (If a foreign address, enter city, also complete spaces below.)  |                           |                         |  |                                   |       |
|   | Foreign country name  |                           | Foreign province/county | Foreign postal code                    |                                   |       |
| For Privacy Act and Paperwork Reduction Act Notice, see instructions. |   |                           |                         | Form 1040-ES (2018)                    |                                   |       |

|             |                |
|-------------|----------------|
| 1st payment | April 17, 2018 |
| 2nd payment | June 15, 2018  |
| 3rd payment | Sept. 17, 2018 |
| 4th payment | Jan. 15, 2019* |

# TAKEAWAYS

---

# WHAT DO I TELL CLIENTS?

---

- ▶ Yes, you're a small business!
- ▶ Be sure to track all your expenses, especially mileage!
- ▶ You will need to pay self-employment taxes.
- ▶ Make estimated tax payments, if and when possible.
- ▶ File your taxes!

# TOOLS & RESOURCES

---

# ROADMAP TO RIDESHARE TAXES CHEAT SHEET

## Roadmap to Rideshare Taxes

As a rideshare driver, you are self-employed, which means you are a small-business owner. You'll pay self-employment taxes in addition to your regular income taxes. Learn how to maximize your driving income and file taxes correctly.

### Track Deductions

**A**

Tax deductions (like the mileage deduction) can reduce your taxes.

**Driving is expensive.** Track expenses like Uber and Lyft fees to lower your taxes.

**What can be deducted?** See the deduction checklist on the other side of this page.

**Don't rely on Uber and Lyft to track your deductions (including mileage).** They don't track everything! Keep records and save receipts in case you are audited by the IRS.

### Pay Taxes As You Go

**B**

Your taxes are NOT automatically taken out of your income. Make payments throughout the year to avoid a penalty or save for tax time.

**Who's required to pay taxes throughout the year?** Anyone who owes over \$1,000 in taxes, around \$5,000 in self-employment income.

**How much should I pay?** If you were self-employed last calendar year, you must pay 100% of last year's taxes (see last year's Form 1040). Otherwise, use the Estimated Tax Payments Calculator at [RideShareTaxHelp.com](http://RideShareTaxHelp.com).

Most people divide the amount into quarterly payments.

**Can't pay the full amount?** Pay what you can or save your money throughout the year.

**How to pay:** You can pay the IRS online, by phone, or by mail.

### File Taxes

**C**

If you make over \$400 in self-employment income, you must file.

**What should I know?** You must file Schedule C and Schedule SE with Form 1040. Find your income info on your driver dashboard or on your Form 1099-K and Form 1099-MISC. You are required to file even if you don't receive Form 1099.

**You may qualify for free tax help.** Visit [MyFreeTaxes.com](http://MyFreeTaxes.com) and [irs.treasury.gov/freetaxprep/](http://irs.treasury.gov/freetaxprep/) for more information.

### What to Bring to File Your Tax Return

- 1099-K and 1099-MISC: Find these on your dashboard. Sometimes, Uber and Lyft mail them.
- Access to or printouts of your Uber or Lyft dashboard
- Expenses report: A list of expenses to claim as tax deductions
- Receipts, invoices, and credit statements
- Mileage log

[RideShareTaxHelp.com](http://RideShareTaxHelp.com)

Turn page over!

## Which Expenses are Deductible?

Uber and Lyft drivers are small business owners. As business owners, you can take tax deductions for your driving expenses that can substantially lower your taxes. Carefully track deductions yourself in case the IRS chooses to audit your taxes.

### Understanding the Mileage Deduction

The mileage deduction will likely be your largest tax deduction. It's important to carefully track your miles because the IRS requires a mileage log.

Uber and Lyft track some, but not all of your driving miles. Track your own miles, so you can deduct every dollar you qualify for.

### How to Track

There are two ways to track your mileage deduction.

**1. Standard mileage.** Multiply your business miles driven by the standard rate (54.5 cents in 2018). This rate includes driving costs, gas, repairs/maintenance, and depreciation. Do NOT deduct these costs separately. This is the more common and easiest option.

**2. Actual car and truck expenses.** Track your driving expenses yourself. Actual car and truck expenses are difficult to track, so seek professional tax help.

**Apps and tools:** You can download an app that tracks your mileage. Two popular apps are Stride Tax (free) and MileIQ (\$5.99 billed monthly). You can also use a spreadsheet or print a mileage log to keep in your car.

### Which Miles Count

These miles count for the mileage deduction:



**Passenger miles**  
Any miles driven with a passenger in the car or on the way to picking up a passenger (between trips).



**Rideshare-related miles**  
Any miles driven to aid in your driving business. For example, if you drive to the store to pick up car supplies.

These miles DON'T count:



**Personal miles**  
Any driving you do for personal reasons cannot be counted under business miles. For example, if you drive to grab lunch during the day.



**Commuter miles**  
Your first and last ride of the day to and from your home are your "commute" to work and cannot be counted as business miles.

### Tax Deduction Checklist

Which of the following do you spend money on for your driving job?

These expenses must be purely for business reasons. If you only use a portion for business, deduct that percentage of the cost.

#### Vehicle expenses\*

- Mileage based on the standard mileage rate (gas, insurance, and car maintenance are already included)
- Tolls and Parking

\*Note: This checklist is for standard mileage. For information on actual car expenses, visit [www.RideShareTaxHelp.com](http://www.RideShareTaxHelp.com)

#### Operating expenses

- Uber and Lyft fees and commissions
- Snacks and refreshments for passengers
- Cost of phone (deduct the portion used for business)
- Phone service plan (deduct the portion used for business)
- Accessories, such as chargers, cables, and mounts
- Mileage tracking software
- Electronic toll transponder
- Floor mats
- Car tool kit
- First aid kit
- Tire inflator and pressure gauge
- Portable battery jump pack
- Flashlights and flares
- Business taxes and licenses

Fill out any expenses you claim as a tax deduction in the expenses section of Schedule C.

# RIDESHARE TAX ORGANIZER

---

## Rideshare Tax Organizer (Tax Year 2018)

| INCOME – FROM SELF-EMPLOYMENT ONLY                                       |    |
|--|----|
| Forms 1099-MISC<br><i>Amounts listed on all 1099-MISCs</i>               | \$ |
| Form 1099-K<br><i>Form received from PayPal, other 3rd party vendors</i> | \$ |
| Other Income   | \$ |
| <b>Total Gross Income</b> (Total of all the above amounts)               | \$ |

**TIP:** Keep separate business accounts (checking or credit) to simplify your finances. Your deposits into these accounts should match, or come close to, your total gross income.

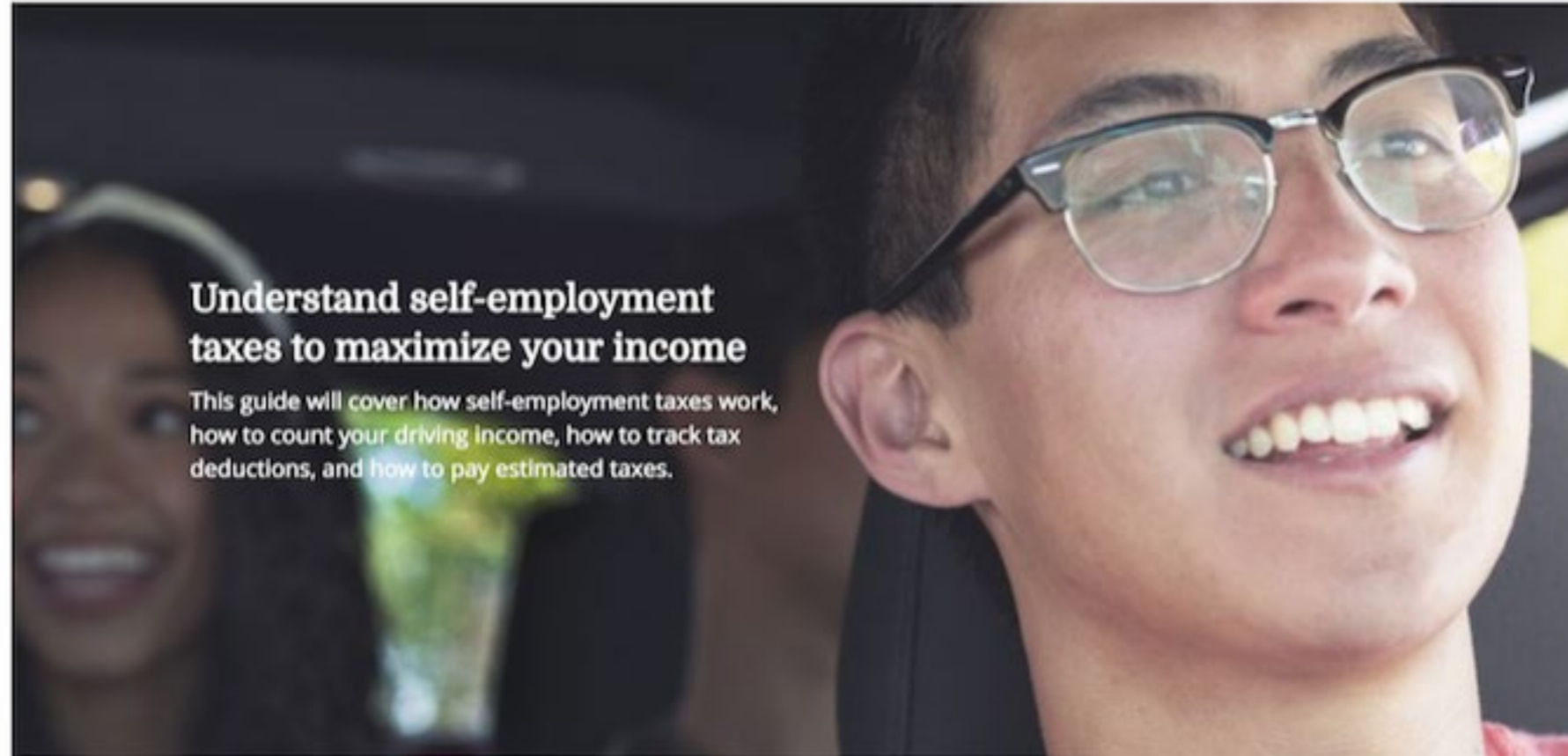
| ESTIMATED TAX PAYMENTS  |  |
|---|--|
| These are payments made to the IRS through the year on income that does not have taxes taken out of it. |  |
| Did you pay estimated tax payments to the IRS for tax year 2018?  | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <b>If yes, how much?</b>  |  |

# NEW WEBSITE (RIDESHARETAXHELP.COM)

---

## Roadmap to Rideshare Taxes

A joint project by the Get It Back Campaign and CASH Campaign of MD.



### There are three steps to Uber and Lyft taxes

As a rideshare driver, you are self-employed, which means you are a small-business owner. You'll pay self-employment taxes in addition to your regular income taxes. Learn how to maximize your driving income and file taxes correctly.

# NEW WEBSITE (RIDESHARETAXHELP.COM)

---

## Homepage

- [How Do Rideshare \(Uber and Lyft\) Drivers Pay Taxes?](#) (101 Guide)
- [How Do Uber and Lyft Drivers Count Income?](#) (Income)
- [Tax Deductions for Rideshare \(Uber and Lyft\) Drivers](#) (Expenses)
- [How to Claim the Standard Mileage Deduction](#) (Mileage)
- [Actual Car and Truck Expense Tax Deductions](#) (Actual Expenses)
- [Quarterly Estimated Payments Due Dates](#) (Quarterly Payments)
- [A Step-by-Step Guide to Filing Rideshare \(Uber or Lyft\) Taxes](#) (Step-by-step)

# NEW WEBSITE (RIDESHARETAXHELP.COM)

---

## Resources

- [Cheat sheet](#)
- [Tax Deduction Tracker](#)
- [Rideshare Tax Organizer](#)