

Virtual Training Series

Rideshare Taxes: Resources and Q&A

Center on Budget & Policy Priorities

November 7, 2019

Francesca Jean-Baptiste

*CASH Campaign of
Maryland*



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

Roadmap to Rideshare Taxes

Comprehensive tax resource for Uber, Lyft, and other rideshare drivers

Resources and training for VITA staff and volunteers

Website, tools, graphics, and calculators

www.ridesharetaxhelp.com

Resources for VITA

www.ridesharetaxhelp.com/tax-prep

Web Pages

How Do Rideshare (Uber and Lyft) Drivers Pay Taxes? (Rideshare Tax Basics) - ridesharetaxhelp.com/pay-taxes

How Do Uber and Lyft Drivers Count Income? (Counting Income) - ridesharetaxhelp.com/income

Tax Deductions for Rideshare (Uber and Lyft) Drivers (Business Expenses) - ridesharetaxhelp.com/deductions

How to Claim the Standard Mileage Deduction (Standard Mileage) - ridesharetaxhelp.com/mileage

Actual Car and Truck Expense Tax Deductions - ridesharetaxhelp.com/actual-expenses

Quarterly Estimated Payments Due Dates (Estimated Payments) - ridesharetaxhelp.com/estimated-payments

A Step-by-Step Guide to Filing Rideshare (Uber or Lyft) Taxes - ridesharetaxhelp.com/tax-guide

Tools

Estimated Payments Calculator - ridesharetaxhelp.com/calculator

Rideshare Tax Cheat Sheet - ridesharetaxhelp.com/cheatsheet

Tax Organizer - ridesharetaxhelp.com/organizer

Business Expense Tracker - ridesharetaxhelp.com/tracker

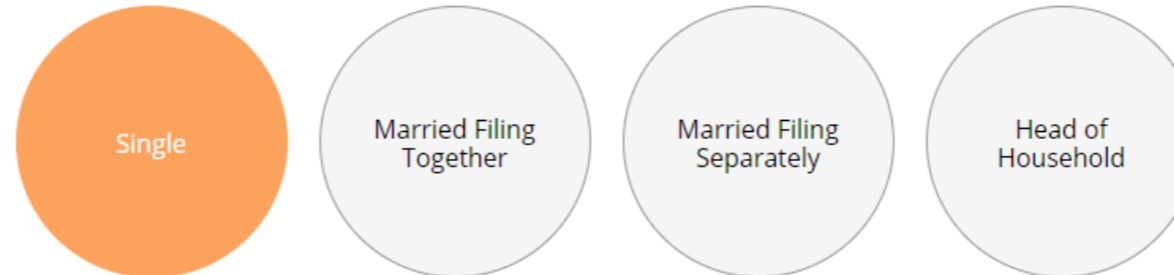
Calculator

ridesharetaxhelp.com/calculator

Estimated Tax Payments Calculator

What is your filing status?

Read the [IRS guide for help determining your filing status](#).



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Next →

VITA Resources

www.ridesharetaxhelp.com/tax-prep

(Training) Rideshare Taxes: What Your Tax Volunteers Should Know -
eitc outreach.org/rideshare-training

Business cards - eitc outreach.org/rideshare/roadmap-to-rideshare-taxes-business-card/

Social media toolkit -
<https://drive.google.com/open?id=1VDBRfJCSS3znp9V4jqcutbvEhvJG5DJy>



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.

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

- \$0.58 per mile (2019)
- Tolls
- Parking
- Business percentage of auto loan interest
- Business percentage of personal property taxes

STANDARD MILEAGE DEDUCTION

Vehicle Expenses (Mileage Deduction)

Vehicle expenses are costs associated with using your car. To claim the deduction, record the expense on Schedule C of your taxes under Total Car and Truck expenses.

CHOOSE between Standard Mileage and Actual Expenses.

OPTION 1

Standard Mileage Deduction

To use Standard Mileage deduction, multiply your business miles driven by 58 cents (2019 standard mileage rate). This amount includes driving costs, including gas, repairs/maintenance, and depreciation. **This is the more common and easiest option. Most drivers will claim a larger deduction using this method.**

STANDARD MILEAGE (58 cents/mile)

Multiply your business miles driven by 58 cents.

TOLLS AND PARKING



ACTUAL CAR & TRUCK EXPENSES

- Car Washes
- Car Depreciation
- Garage Rent
- Gas
- Lease Payments
- Licenses
- Oil Changes
- Parking Fees
- Registration fees
- Vehicle Repairs
- Tires
- Tolls
- Roadside Assistance
- Auto Loan Interest



ACTUAL CAR & TRUCK EXPENSES

OPTION 2

Actual Car and Truck Expenses

To use Actual Car and Truck Expenses, you track the cost you spent to drive, including (but not limited to) gas, car maintenance, etc. You can also include vehicle depreciation. **Tracking actual car expenses requires detailed record-keeping, so you may want to seek professional tax help for this method.**

GAS



REPAIRS/ MAINTENANCE



VEHICLE DEPRECIATION

Vehicle depreciation is the decline in your car's value. This figure is extremely complicated--seek professional help.

LICENSE FEES



INSURANCE



PERSONAL PROPERTY TAXES PAID



ROADSIDE ASSISTANCE PLANS



LEASE PAYMENTS



CAR WASHING



You can also claim deductions for other expenses, like tires, towing charges and auto club dues.

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

WHICH MILES COUNT

Which miles count

Understanding the mileage tax deduction

Rideshare drivers are business owners who are eligible to take tax deductions for driving expenses. The mileage deduction will be your largest tax deduction, so it's important to understand which miles count.

These miles count:



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.



Commute 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.

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 Toll Kit
- First Aid Kit
- Tire Inflator and Pressure Gauge
- Portable battery jump pack
- Flashlights and flares
- Business taxes and licenses
- Additional (non-auto) insurance plans
- Roadside assistance plans
- Music Apps
- Fees for background checks

*** May be allocable if not just for business use**

OPERATING EXPENSES

Rideshare Tax Deductions

Reduce Your Taxes

As business owners, you can take tax deductions for your driving expenses that can substantially lower your taxes. You will need to carefully track deductions yourself in case the IRS chooses to audit your taxes.

Operating Expense Deduction

Operating expenses are costs associated with running your rideshare business (outside of vehicle costs). To claim the deduction, record the expense on Schedule C of your taxes under Common Operating Expenses.

UBER AND LYFT FEES AND COMMISSIONS

Find these fees and commissions on your driver dashboard

SNACKS AND REFRESHMENTS FOR PASSENGERS



COST OF PHONE & PHONE PLAN

Deduct the portion used for driving



ACCESSORIES

Chargers, cables, and mounts



MILEAGE TRACKING SOFTWARE



ELETRONIC TOLL TRANSPONDER



You can also claim deductions for other expenses, like floor mats, car tool kits, first aid kits, tire inflators and pressure gauges, portable battery jump packs, flashlights, and business taxes and licenses.

CHEAT SHEET

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 (58 cents in 2019). 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 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.

DEDUCTIBLE EXPENSES - UBER

ALLCOABLE

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

vs.

FULLY DEDUCTIBLE

- Uber Commission Fees
- Uber provided device subscriptions
- Tolls during a trip
- Black Car Fund Fees
- City Fees
- Airport Fees
- Split fare fees
- Safe fare fees

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



DEDUCTIBLE EXPENSES - LYFT

ALLCOABLE

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 during a trip
- Rental Fees
- Parking

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



Questions?