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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.

A Track Deductions

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.

B Pay Taxes As You Go

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.

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.

C File Taxes

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 and 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

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.

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.

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.