



## Frequently Asked Questions re: Sharing Economy

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*We recommend accessing the taxpayer's account through the website (versus the app) to have access to all possible information for tax reporting purposes.*

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### ➤ Uber Reporting

**Uber sends Form 1099-K to drivers who earn more than \$20,000 in rides and give at least 200 rides during the calendar year. They send Form 1099-MISC/1099-NEC to drivers who make at least \$600 in promotional, referral, and miscellaneous income.**

You can access your tax documents through your partner dashboard. Log into partners.uber.com and go to 'Tax Information'. You'll be able to download the tax forms once they are uploaded. If you didn't give Uber permission to deliver the forms electronically, you will receive the forms in the mail by February 1, 2019. **Note: You may not receive any forms if you do not meet the above criteria, but the income must still be reported.**

Outside of these official tax documents, Uber provides a tax summary to all drivers that provides a detailed breakdown of annual income and possible business expenses. The possible business tax deductions include a breakdown of miles logged, some expenses, fees, and taxes.

Be sure to read the fine print on the account dashboard to know what mileage is counted by Uber.

### ➤ Lyft Reporting

**Lyft sends Form 1099-K to drivers who earn more than \$20,000 in rides and give at least 200 rides during the calendar year. They send Form 1099-MISC/1099-NEC to drivers who make at least \$600 in promotional, referral, and miscellaneous income.** Lyft also provides a Driver Dashboard Annual summary that provides a breakdown of annual income and your total miles driven.

The breakdown of annual income includes tolls charged to passengers and Lyft's commission fees, as well as your miles driven. These expenses, fees, and miles should be deducted on your business tax deductions. You can access these documents through your driver dashboard. Login



through [lyft.com/login](https://lyft.com/login) on a desktop or laptop. Click on the "Tax Information" tab and click on the Form 1099 you want to view.

Be sure to read the fine print on the account dashboard to know what mileage is counted by Lyft.

*Note: The Uber Tax Summary and Lyft Driver Dashboard contain important information that is generally not available elsewhere. These documents are a critical part of tax preparation. Access the dashboard through the website, rather than your rideshare app, since the website version has more information. Don't do your return without them!*

### ➤ **Tips for Rideshare Drivers**

1. Rideshare company likely has not taken out taxes, social security, or Medicare. Driver is responsible for those.
2. May be required to file quarterly estimated income taxes.
3. Rideshare companies do not track/report all the information driver needs to minimize taxes, so critical for driver to keep records.
  1. Mileage log
    - i. Commuting not deductible (first leg from house to pick up passenger, and drive home after dropping last passenger)
    - ii. Personal driving (e.g., lunch) not deductible
    - iii. Deductible includes repositioning to an area to improve chance of receiving dispatch, driving to pick up passengers, driving with passenger on board.
  2. Receipts or documentation for all other deductible expenses.
  3. Doesn't hurt to keep receipts for non-deductible expenses (e.g., gas, maintenance, etc. even when using standard mileage deduction)
4. Auto expense deduction
  1. Can deduct either actual expenses or standard mileage
  2. Actual expense method is out of scope for Tax-Aide, so TP will need to go to paid preparer if they want that.
  3. Most online guides suggest standard mileage is best option for most drivers.
  4. If taking the standard deduction, cannot deduct depreciation, lease payments, maintenance and repairs, gasoline (including gasoline taxes), oil, insurance, or vehicle registration fees.
5. Other deductible expenses
  1. Water, gum, snacks for passengers
  2. Tolls, parking fees, airport fees
  3. Mobile phone, chargers, cables, data plan, etc.
    - i. Must either have dedicated phone (or tablet, etc.), or
    - ii. Must document how much your phone is used for personal use vs. work



- iii. Various methods online for estimating percentage work vs. personal. Key seems to be to use one method consistently.
4. Even if taking standard mileage, you can also still deduct the interest on a car loan used for business.
5. Rideshare commercial insurance (not normal auto insurance).
6. Reporting is not consistent among Rideshare companies.
  1. If rideshare company chooses to not provide a 1099-K or other statement of revenue for the driver, then driver will have to provide all data.
7. 1099-K will report all money the rideshare company collected, not just what is taxable for the driver.
  1. Rideshare company may provide another document showing their commissions, fees (e.g., airport, parking, tolls, safe ride fee, split fare fee), phone rental payments, etc. that should be listed as business expenses for the driver. If company does not provide this, driver will have to rely on their records.

### ➤ Reporting Favor Income

Favor “runners” who delivered at least 200 Favors and generated at least \$20,000 in gross Favors in 2018 will receive a Form 1099-K. As recently as September 2019, a Favor representative stated that when a runner is not issued a 1099-K no earnings amount is reported at all to the IRS.

**If the client did receive a 1099-K**, the amount on the 1099-K **INCLUDES** the amount of the merchandise or food that was purchased. To get to the payments for deliveries without the cost of the food “supplies,” the client needs to log into their app to retrieve the annual amount (not including the cost of food supplies) paid to the taxpayer.

**If the client did not receive a 1099-K**, they would log into their app to get a summary of their yearly income in “Runner Tools.” The account will show only the net amount direct deposited, and we would report this amount as cash income.

To enter any income not reported on a 1099-MISC, go to the Income tab of the Schedule C section.

Schedule C	
Basic Information About Your Business	EDIT
Questions About the Operation of Your Business	EDIT
Income	EDIT
Cost of Goods Sold	EDIT

**If the client did receive a 1099-K**, enter the amount from box 1 of the 1099-K.



If the client **did not** receive a 1099-K, enter under “Gross receipts or sales” the amount from the app that was deposited in the client’s bank account.

If you have multiple 1099-Ks or sources of income to report, consider using the notepad to the right to make notes about those amounts.

Income		
<b>Total Income from Form 1099-MISC</b>		\$943.00
<small>This value will be automatically added. Do not include it on this form.</small>		
Gross receipts or sales (including income reported on Form 1099-K)	\$ <input type="text"/>	→ [Notepad Icon]
Income reported to you on Form W-2 as Statutory Employee	\$ <input type="text"/>	[Notepad Icon]
Returns and allowances	\$ <input type="text"/>	[Notepad Icon]
Other Income	\$ <input type="text"/>	[Notepad Icon]

**CANCEL** **CONTINUE**

Next, navigate to the General Expenses tab of the Schedule C section.

Schedule C	
Basic Information About Your Business	<b>EDIT</b>
Questions About the Operation of Your Business	<b>EDIT</b>
Income	<b>EDIT</b>
Cost of Goods Sold	<b>BEGIN</b>
<b>General Expenses</b>	<b>EDIT</b>

If the client **did** receive a 1099-K, enter under “Supplies” the difference between the 1099-K box 1 amount and the total amount (that you got from the app) that was deposited in the taxpayer’s account that year. (Ex. Box 1 of \$20,000 but client only received \$5000, so take  $\$20,000 - \$5,000 = \$15,000$  supplies.)

If the client **did not** receive a 1099-K, move on to reporting any eligible deductions.

Again, if you need to enter this amount for different 1099-Ks, you can use the notepad to the right to make notes about the individual amounts that equal the total amount in supplies entered.



Repairs and maintenance	\$	☰
Supplies	\$	☰
Taxes and licenses	\$	☰
Travel	\$	☰

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➤ **Business info (e.g. EIN) for when working with masked transcripts**

These are just a couple examples; confirm that this matches the masked info on the transcript before entering it in the software!

**Business name: DOORDASH**

EIN: 46-2852392

Address: 901 MARKET SUITE 600

San Francisco, CA 94103

**Business name: NeighborFavor, Inc DBA Favor Delivery**

EIN: 90-0878124

Address: 1705 Guadalupe Street, Suite 300

Austin, TX 78701

**Business name: Ride Share Austin**

EIN: 81-2765068

Address: 401 Congress Ave

Austin, TX 78701