

# 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

**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

**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

**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.



### 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](http://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.