



# Are you a ride-sourcing driver?

## What you need to know about your tax obligations

If you provide ride-sourcing services (sometimes referred to as 'ride-sharing'), here's a handy summary of your tax obligations.



### For income tax

- ✓ Include what you earn (such as fares, tips and bonuses) as income in your yearly income tax return.
- ✓ Only claim deductions to the extent that they directly relate to providing ride-sourcing services.
- ✓ Keep records of all your income and expenses (you can use the myDeductions tool in the ATO app).

### For GST you need

- ✓ an ABN
- ✓ to register for GST from the day you start, regardless of how much you earn
- ✓ to pay GST on the full fare
- ✓ to lodge business activity statements monthly or quarterly (you can't lodge annually)
- ✓ to know how to issue a tax invoice.

### How to calculate GST on the full fare

GST must be calculated on the full fare, not the net amount you receive after deducting any fees or commission.

### Example

If a passenger pays \$55 for a fare:

- the GST payable is \$5 (1/11th of the fare)
- the digital platform takes out their fees or commission (for example, \$11) and pays you \$44
- if the digital platform fee of \$11 includes GST, you may be entitled to claim a GST credit of \$1 (1/11th of the fee).

You may also be able to claim GST credits for business purchases you make.

### Expenses you may be able to claim include

- ✓ depreciation for assets you own, such as your car
- ✓ fees or commission charged by the digital platform
- ✓ fuel
- ✓ lease rental payments for a car
- ✓ parking fees
- ✓ tolls (if not paid for by the passenger).

Remember you need to apportion your expenses between business and private use.



### Expenses you cannot claim include

- ✗ the cost of getting and maintaining a driver licence
- ✗ fines (e.g. speeding or parking fines)
- ✗ fuel tax credits
- ✗ personal or private expenses.

### Calculating car expenses



There are two methods:

- 1) cents per kilometres travelled
- 2) keeping a logbook to calculate the amount of car expenses claimed.

Note: If you use the cents per kilometre method, you can't make a separate claim for depreciation of the car's value.