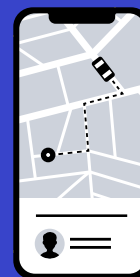




Australian Government
Australian Taxation Office



Ride-sourcing drivers

If you provide ride-sourcing services, here's a handy summary of your tax obligations.

Income tax

Income tax applies to your ride-sourcing income.

- ✔ You need to:
 - lodge a tax return regardless of how much you earn from ride-sourcing because you are operating a business
 - include what you earn (such as fares, tips and bonuses) as business income in your 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 to keep track of your income and expenses.

GST

Goods and services tax (GST) applies to every dollar you earn as a ride-sourcing driver.

- ✔ You need to:
 - have an Australian business number (ABN)
 - register for GST from the day you start, regardless of how much you earn
 - pay GST on the full fare
 - lodge business activity statements monthly or quarterly (you can't lodge annually)
 - know how to issue a tax invoice (you need to provide one for fares over \$82.50 if asked).

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).

GST credits

- ✔ You may be able to claim GST credits for business purchases you make. You claim these when you lodge your BAS.

If you claim a GST credit for an expense, you can only claim the remaining amount (the total cost minus GST) as a deduction in your tax return.

You must have a tax invoice to claim a GST credit for purchases that cost more than \$82.50 (including GST).

Expenses you can claim

You can claim deductions for expenses to the extent that they directly relate to providing ride-sourcing services.

- ✓ Expenses **you may be able to claim** include:
 - depreciation (decline in value) for assets you own, such as your car
 - fees or commission charged by the digital platform
 - fuel
 - lease payments for a car
 - parking fees
 - bottled water, mints, tissues, and newspapers provided for the use of your passengers
 - wipes, sanitisers and anti-bacterial spray provided for passengers and used to clean your vehicle
 - tolls (if not paid for by the passenger)
 - tax agent fees and payments for similar services
 - state or territory **commercial** licences and approvals (such as driver accreditation, driver registration and application fees, medical tests and police checks).

i When calculating your claim, you must apportion your expenses between business and private use, only claiming a deduction for the business portion.

Expenses you can't claim

There are some expenses you can't claim because they're personal expenses or not allowed under the law.

- ✗ Expenses **you can't claim** include:
 - the cost of getting and maintaining a **private** driver's licence
 - fines (for example, speeding or parking fines)
 - fuel tax credits
 - personal or private expenses (such as meals you purchase while on a break, or private use of the car).

Calculating car expenses

There are two methods to work out car expenses for sole traders:

- cents per kilometre travelled
- keeping a logbook to calculate the amount of car expenses claimed.

These methods can only be used to claim expenses for a car you owned or leased. You are treated as the owner if you held the car under a hire purchase agreement.

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

i **This is a general summary only.**
For more information, go to ato.gov.au/ridesourcing or speak to a registered tax professional.

