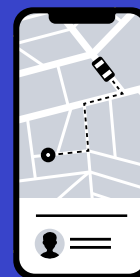




Australian Government  
Australian Taxation Office



# 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).

ⓘ 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 2 methods to work out car expenses for sole traders:

- cents per kilometre travelled
- keeping a logbook and applying the business use percentage to 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're limited to claiming 5,000 business kilometres and you can't make a separate claim for the decline in value of the car's value or any of your other car expenses.

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

