

## Example

You work in the city and sign up to be a ride-sourcing driver in order to earn extra income. On your way to work each morning you turn the ride-sourcing app on. Some mornings you will collect passengers on your journey, other mornings you have no passengers or you decide to reject them due to insufficient time.

You are unable to count the kilometres travelled on the days that you do not collect passengers as the travel is private in nature and not business-related, regardless of the fact that the app is turned on.

When you accept a ride-sourcing job, you can begin to count kilometres as soon as you accept the job. You must stop counting the kilometres travelled once the job is complete, unless you immediately accept another incoming job.

You are unable to count the kilometres travelled between dropping a passenger off and travelling to your job in the city as this is a private expense and is not business-related.

## Useful ATO resources

- For more information about ride-sourcing, please visit [ato.gov.au/general/the-sharing-economy-and-tax/ride-sourcing](http://ato.gov.au/general/the-sharing-economy-and-tax/ride-sourcing)
- For more information about the ATO app's myDeductions tool, please visit [ato.gov.au/myDeductions](http://ato.gov.au/myDeductions)

## Contact the Curtin Tax Clinic

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# Curtin Tax Clinic Guide:

## Ride-sourcing and sharing



Make tomorrow better.



## What is ride-sourcing and sharing?

Ride-sourcing and sharing is when you, as a driver, make a car available for public hire for passengers using a third-party digital platform to request a ride (e.g. Uber, Hi Oscar, Ola) and you use the car to transport the passenger for payment or a fare.

Income received is subject to both income tax and goods and services tax (GST). Accordingly, you will need to have an Australian Business Number (ABN) and also be registered for GST.

It is important to note that where the fare charged exceeds \$82.50, you have to provide your passenger(s) with a tax invoice for the service provided if the passenger requests. The tax invoice must be provided within 28 days of their request and document your ABN. A tax invoice is distinct from an ordinary invoice that you or the app would issue.



## What can I claim?

You can claim expenses incurred while providing ride-sourcing services, including:



depreciation



water and lollies



fuel



parking fees



car cleaning



tolls



fees or commissions charged by the digital platform



car lease payments

You cannot claim some expenses incurred while providing ride-sourcing services, including:



drivers licence



finer



personal or private expenses (e.g. meals)



fuel tax credits

## How much can I claim?

You can claim deductions for expenses to the extent that they directly relate to the provision of the ride-sourcing service. Accordingly, where some expenses are business-related and private, the expense will need to be apportioned to ensure that only the business-related portion is deducted. You can determine your business-related portion by:

- keeping a diary of specific business usage throughout the year
- claiming expenses from an itemised account
- using the ATO myDeductions app

If you claim a GST credit for GST paid on an expense, you can only claim the remaining amount (the total cost minus GST) as an income tax deduction. Furthermore, while you cannot claim a toll if the passenger has paid for it, you may be entitled to claim the corresponding GST credit.

The value of the deduction can be determined by using either the logbook or cents-per-kilometre method.

### Logbook method

You can claim the business-use percentage of your car related expenses which is determined by using a logbook to maintain odometer readings for the logbook period - at least 12 continuous weeks.

### Cents-per-kilometre method

You can claim a maximum of 5,000 business kilometres per car, using this method.

- Your claim is based on 72 cents-per-kilometre
- You generally are unable to claim any other expenses incurred in relation to the car

## What records do I need to keep?

You need to keep written evidence to substantiate your claims as well as how you apportioned any expenses, where relevant. Accordingly, you may need to keep your invoices, receipts, logbook and diary entries to support your deductions.