

## UBER PARTNER REPORTING GUIDE

Driver partners that utilize the Uber platform will receive up to two IRS information documents: each will receive a Form 1099-K (Payment Card and Third Party Network Transactions), and some may receive a Form 1099-MISC (Miscellaneous Income). In addition, they will receive a tax summary prepared by the company (example below) that breaks down the amounts reported on these forms. This reference guide can be used to determine where on Form 1040, Schedule C the income and expenses listed should be reported. **Note: Not all Uber summaries will list all of these items as some only apply to certain localities.**

Example summary for illustrative purposes only.

U B E R

### 2014 TAX SUMMARY DAVID BOWIE

Many of the items listed below may be deductible; please consult with a tax expert for more guidance.

#### 1099-K BREAKDOWN

1	Gross Fares (Uber Fee Is Included) <sup>1</sup> .....	\$48,000.00
2	Tolls.....	\$399.00
3	Sales Tax.....	\$200.00
4	Black Car Fund.....	\$100.00
5	City Fee.....	\$100.00
6	Airport Fee.....	\$100.00
7	Split Fare Fee.....	\$100.00
8	Safe Rides Fee.....	\$100.00
9	Miscellaneous.....	\$144.00
10	<b>TOTAL</b> .....	<b>\$50,000.00</b>

#### 1099-MISC BREAKDOWN

Incentive Payment.....	\$300.00
Referrals.....	\$300.00
Join and Support.....	\$100.00
Miscellaneous.....	\$100.00

**TOTAL**..... **\$800.00**

#### OTHER ITEMS

Device Subscription.....	\$200.00
Fuel Card Charges.....	\$200.00
Uber Fee.....	\$8,000.00
On-Trip Mileage <sup>2</sup> .....	50,000 miles

<sup>1</sup>Gross fares are calculated as base + time + distance (this includes the Uber Fee).

<sup>2</sup>On-trip mileage only. Additional mileage may be deductible.

Items in **bold** may be deductible. Check with a tax professional to learn more.

#### Form 1099-K Breakdown

Form 1099-K is used to report payments received from riders. This includes gross fares in addition to the expenses discussed below that Uber paid for on the partner's behalf.

##### 1 Gross Fares

Amount of fares earned by partner drivers prior to paying Uber a service fee (discussed later). This amount should not be reported on Sch. C., line 1. Instead, the full amount shown in the total (#10 on the Tax Summary) is reported.

##### 2 Tolls

The amount of tolls collected by Uber on behalf of, and remitted to, a driver. Report as a deduction on Sch. C, line 9 (car and truck expenses). Are deductible even if the standard mileage method is used.

##### 3 Sales Tax

The amount of sales tax collected by Uber on fares. Report as an adjustment on Sch. C, Part V, with description: "Adj. for Sales Tax Included in Form 1099-K, Box 1a"

##### 4 Black Car Fund

The amount paid to New York's Black Car Operator's Injury Compensation Fund on the driver's behalf. The sole purpose of this fund is to provide Workers' Compensation coverage to operators in the state. Amount is deductible on Sch. C, line 15 (insurance). Though deductible, it may be advantageous to reviews the rules for pre-tax and after-tax disability insurance prior to deducting. This amount is only applicable for New York City partners.

(Cont'd on following page)

**5 City Fee**

The amount paid on the driver's behalf to a municipality granting them the right to operate in that particular city. Deduct amount on Sch. C, line 23 (taxes and licenses). Will not apply to all cities.

**6 Airport Fee**

Amounts paid to certain airports (LAX & SFO) on driver's behalf, enabling them to operate at the airport. Deduct this amount on Sch. C, line 23 (taxes and licenses).

**7 Split Fare Fee**

Amount paid by riders when the fare is split between riders. Deduct this amount on Sch. C, line 10 (commissions and fees).

**8 Safe Rides Fee**

Amount charged to partner drivers in addition to the Uber Service Fee. This amount is collected on behalf of drivers from riders by Uber. Deduct this amount on Sch. C, line 10 (commissions and fees).

**9 Miscellaneous**

Inquiry should be made to determine the exact nature and deductibility of these expenses. If deductible, report as an "other expense" in Part IV of Sch. C.

**10 Total**

Amount should match the amount shown in box 1a of the taxpayer's Form 1099-K. Include this amount on Sch. C, line 1 (gross receipts or sales) in addition the amount shown in box 7 of Form 1099-MISC.

**Form 1099-MISC Overview**

Form 1099-MISC is used to report items of non-employee compensation received directly from Uber, rather than from individual rider fares. These items are taxable in the same manner as the income reported on Form 1099-K.

**11 Total**

Amount includes the driver's referral incentives, join and support, and miscellaneous income received from Uber. This amount should match the amount shown in box 7 of the taxpayer's Form 1099-MISC. Include this amount on Sch. C, line 1 (gross receipts or sales).

**Other Items**

**12 Device Subscription**

Represents amounts paid by driver partners for use of an Uber provided mobile device. Deduct on Sch. C, Part V (other expenses).

**13 Fuel Card Deductions**

Amount represents the cost of fuel paid for in advance by Uber on the driver's behalf, subsequently deducted from the partner earnings by Uber for reimbursement. Deduct on Sch. C, Part V (other expenses). If also used for personal purposes an allocation between the business and personal use must be made, with only the business portion being deductible.

**14 Uber Fee**

Amount represents the percentage of fares paid to Uber by drivers in exchange for services rendered by Uber. Deduct this amount on Sch. C, line 10 (commissions and fees).

**15 On-Trip Mileage**

The total miles driven while the driver was in-fact collecting a fare. By definition, this mileage is deductible. However, there may be additional mileage the driver is entitled to deduct depending on the facts and circumstances. For-hire drivers may use either the actual expense method or the standard mileage rate to calculate their deductions. It is important that drivers be able to produce some form of written log detailing their business mileage.

# QUICK REFERENCE

**Standard Mileage vs. Actual Expenses**

A driver who uses a personal car as a Uber partner may be able to deduct related expenses using one of two methods: the standard mileage rate or the actual expense method.

**Standard Mileage Method**

If a driver wants to use the standard mileage rate for a car they own, the driver must choose to use that method in the first year the car is used in a business. Then in later years, the driver can choose to use either the standard mileage rate or actual expenses. If the driver wants to use the standard mileage rate for a car they lease, it must be used for the entire lease period.

The business standard mileage rate for 2014 is \$0.56 per mile.

Use of the business standard mileage rate is in lieu of claiming actual fixed and operating costs of using the auto for business. This means items such as depreciation, maintenance, repairs, tires, fuel, oil, insurance, and registration fees are included in the mileage rate.

However, a driver using the standard mileage method generally can still separately deduct: tolls and parking fees, auto loan interest, and personal property taxes.

**Actual Expense Method**

If the driver does not use the standard mileage rate, the driver deducts the actual expenses of operating the car.

These expenses include: depreciation; lease payments; registration fees and licenses; insurance; gas, oil, and repairs; garage rent; tires; and tolls and parking fees.