

RP TAX SERVICE

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Shared-ride drivers and Food delivery:

As a rideshare driver, you are an independent contractor. You aren't employed by Lyft or Uber or others, but rather you are contracted by them. It means that you are self-employed. This changes the way you file your taxes.

Also, you should note that if you receive a 1099 from Uber or Lyft additionally in the state of Hawaii you will also need to file GE Taxes.

Standard Mileage or Actual Expenses. It is one or the other. Not both. Should you choose Actual Expenses you will need to have receipts for each category. When you come to have your taxes prepared, please have each category totaled. Only a portion of the total is reimbursable.

As a rule, filing for standard mileage reimbursement is simpler and usually ends up being a larger number on your tax return. Standard Mileage for 2022 is 58.5 cents per mile and is paid on all miles driven while on the clock with Uber and or Lyft. The mileage clock starts the second you accept a ride and does not end until you've dropped a rider off at their destination. You can also deduct the mileage spent driving from your home to your first rider and back home at the end of the day as well as any miles were driven between two riders

If you choose to use Actual Expenses, below is a checklist to use in keeping track of your expenses.

Expenses:

Gas
Maintenance
Insurance
License and Registration
Cleaning
Depreciation
Payments
Common Operating Expenses:
Mobile Plan
Phone and Accessories
Seat Covers and Floor Mats
Supplies for Riders (tissues, bottled water, hand sanitizer)
Emergency Cleaning
Parking Fees
Tolls
AAA Membership