

GIG ECONOMY

Client Name(s): _____
(Hereinafter referred to as "Client")

Tax Practitioner: Monica Haven, E.A.
(Hereinafter referred to as "EA")

If you use your own car to earn income through a ride-sharing service like Uber or Lyft or a delivery service such as DoorDash or Grubhub, there are very specific rules for deducting your vehicle-related expenses.

In general, vehicle expenses can be deducted using one of two methods:

1. The easiest method is the standard mileage rate (calculated by multiplying \$0.56 in 2021 and \$0.585 in 2022); using the standard mileage rate is a simple way to deduct an estimated amount of all your vehicle expenses, such as maintenance, tires, gas, and license and registration fees.
2. Alternatively, you can deduct the actual vehicle expenses, which might potentially yield a larger deduction, but you'll need to keep detailed documentation and receipts relating to these expenses.

Under either method, you'll need to calculate the percentage you used your car for business purposes and the deduction will be based on that percentage and whichever method we use to deduct your vehicle expenses. You must maintain a daily mileage log as proof of your mileage. Most app-based services provide a tax summary of your mileage to help you track your business mileage.

When counting your miles to determine the business percentage of use, you can include any business-related mileage that was driven for the following:

- Mileage driven to pick up a ride request or a package for delivery;
- Any mileage you drove between dropping off a passenger (or delivery) and picking up the next one; and
- Mileage driven before a fare (or delivery request) was cancelled.

NOTE: Miles between your home and your first fare/delivery and between your last fare/delivery and your home are considered "commuting miles". These miles cannot be counted.

Expenses that are deductible for drivers in addition to vehicle expenses include:

- Mobile phones (cost of the phone and billing charges) and accessories (mounts, chargers, cradles, etc.);
- Business taxes and licenses;
- City and airport fees, Freeway, highway, and bridge tolls, and electronic toll transponders;
- Water, snacks, and amenities (such as tissue or hand sanitizer) provided to customers; and
- Floor mats, car tool kits, and tire inflators and pressure gauges.

All out-of-pocket expenses must be substantiated with receipts.

Client Signature: _____	Date: _____
Print Client's Name: _____	
Spouse Signature: _____	Date: _____
Print Spouse's Name: _____	

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