

NASH BUSINESS SERVICES, INC. Tax Income /Payroll/Sales/Bookkeeping/Business License Prep

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UBER/LYFT TAX CALCULATIONS

1	2	3	4	5	6	FINAL
1099K GROSS \$	1099 MISC. INCENTIVE \$	TOTAL GROSS INCOME IS Column 1 + 2	UBER FEES SEE TAX SUMMARY FOR THE PERIOD YEAR	AMOUNT DEPOSIT IN YOUR BANK ACCOUNT 3 - 4	MINUS ALL OTHER EXPENSES FUEL, AUTO REPAIR, DMV, UNIFORM, ETC	3-4-6 = NET INCOME INCOME (MINUS) EXPENSES = TAXABLE INCOME (TIMES) TAX RATE PAY TAXES EXAMPLE \$55,000-\$20,000- \$15,000 = \$20,000 RATE 15% \$3,000
EXAMPLE \$50,000	EXAMPLE \$5,000	EXAMPLE \$55,000	EXAMPLE \$20,000	EXAMPLE \$ 35,000	EXAMPLE \$15,000	



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How to use your Uber 1099-K and 1099-MISC

Tade Anzalone (</taxes/?author=5842237ce3df28eae5e66f85>)

As an Uber driver and therefore an independent contractor, you'll receive a 1099 form instead of a W-2. Uber typically sends these out before or around January 31st.

Find my Uber 1099
(<https://partners.uber.com/p3/tax-compliance/forms>)

Deciphering these two forms can be tricky, mostly because they contain a lot of information that isn't particularly useful to you when you're filing your taxes. In reality, there are only a few numbers that you need to be aware of when you're using your 1099s to file your taxes.

We'll walk you through the steps for using these forms to do your Uber taxes correctly!

Stride | UBER

(http://blog.stridehealth.com/uber-tax-center)

Check out our Uber Tax Center to get answers to more of your top tax questions!

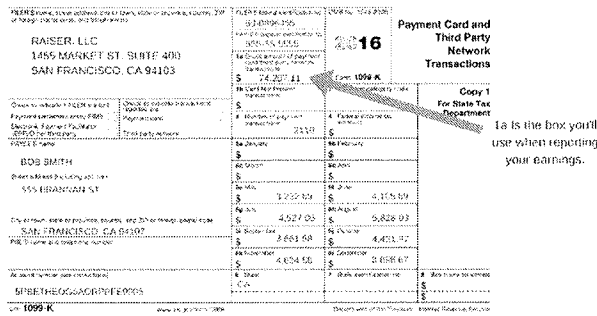
Step 1: How to read your 1099-K and 1099-MISC

Uber reports earnings on two different forms: the 1099-MISC and the 1099-K. Here's how to find your earnings on both forms:

Your Uber 1099-K

You should definitely receive a 1099-K from Uber, because this is what reports your earnings in fares. What you're looking for here is **Box 1a - Gross amount of payment card/third party network transactions**.

Uber will send you a different 1099-K for each state in which you've completed trips. So if you've completed trips in both New York and New Jersey, you'll get a 1099-K for each set of fares.



Funny name for earnings right? That's because Uber is technically a **third party network**, meaning they facilitate your rideshare business by finding you passengers and transferring payment between the passengers and you. So instead of reporting that you did work for Uber, they report your pay as money earned via Uber.

Is your Uber 1099-K reporting a number higher than what you actually earned?

Don't worry — this is normal, and the IRS instructions for this form actually require Uber to report the gross amount of payments that they facilitated. That gross number includes what you earned AND Uber's fees. You will not, I repeat, will not, have to pay taxes on Uber's fees. You will report the gross amount on the Schedule C, but deduct Uber's fees as a business expense. No sweat, you will only pay taxes on what you actually earned, and we'll show you how below.

Want a quick glance of what you earned in 2016? Use our Uber Tax Calculator to know what you'll actually pay in Uber taxes.

Calculate my Uber taxes

(https://www.stridehealth.com/drive/uber-1099-tax-calculator?utm_source=drive&utm_medium=blog&utm_campaign=uber1099)

Your Uber 1099-MISC

If you receive a 1099-MISC from Uber, it's because you've earned at least \$600 from incentives or referrals. This is a gross number like you see on the 1099-K, but it does not include any Uber fees or commissions and should match exactly with what you received in payment from Uber for any promotions, incentives, or referrals. There are a lot of different sections of the form, but what you're looking for is **Box 7 - Nonemployee compensation**:

RAISER, LLC 1455 MARKET ST. SUITE 400 SAN FRANCISCO, CA 94107		16	Miscellaneous Income
1 Federal EIN (if any)	2 Reporting period	3 Other income	4 Total 1099-MISC
5 Federal tax withheld	6 State tax withheld	7 Federal tax withheld	8 State tax withheld
9 Other information	10 Total gross amount	11 Total tax withheld	12 Total net amount
13 Other information	14 Total gross amount	15 Total tax withheld	16 Total net amount
17 Other information	18 Total gross amount	19 Total tax withheld	20 Total net amount

Copy 1 For State Tax Department

This is the number you'll use to report earnings.

Bob Smith
555 BRANNAN ST
SAN FRANCISCO CA 94107

Compare this number with your 2016 Uber Tax Summary for 1099-MISC earnings. They should match up.

However, if you didn't receive a 1099-MISC, you may still have income to report! Uber only sends a 1099-MISC reporting incentive and referral income if you made at least \$600, so even if you didn't receive one, you should check your Uber Tax Summary to see if you received any of this type of income. You'll see under the "1099-MISC Breakdown" whether you have income to report in addition to the income on your 1099-K.

Step 2: How to report earnings

Even though you didn't receive the total amount reported on your 1099-K in your bank account, you still report that total (don't worry, you won't pay taxes on Uber's fees). You'll add that 1099-K gross number plus your 1099-MISC number to get total earnings ("Gross receipts or sales"). Your next move depends on whether you're using an accountant, tax filing software, or filling out your own Schedule C:

- If you're working with an accountant or tax preparer:** Your accountant will know what to do with your 1099s. Make sure they also have your 2016 Uber Tax Summary and any business expenses you plan to write off (like mileage, passenger goodies, etc). **Want to make your accountant's day?** The Stride Uber Tax Calculator creates an IRS-Ready report of your 2016 Uber earnings, 2016 taxes owed, plus automatically calculates mileage and other deductions you may have missed. Your accountant will be able to save you even more money with your Stride tax report, and it's 100% free.
- If you're filing using tax software:** No adding is necessary for inputting the 1099-MISC and 1099-K. Your tax software will ask you to fill out information from the forms and calculate the sum for you. If you didn't receive a 1099-MISC but have referral and incentive income to report, you can include it as "Other income" for your business.
- If you're filling out a Schedule C:** Add the 1099-K and 1099-MISC earnings amounts together. Then, report your total income (from your 1099-MISC and your 1099-K) all on Line 1 of your Schedule C. If you didn't receive a 1099-MISC but have referral and incentive income to report, you can include it as "Other income" for your business.

Step 3: How to deduct Uber's fees

This is where things get interesting. As mentioned above, your Uber 1099-K is that Uber's fees are included in the number reported on your form. That means you'll need to deduct it as a business expense.

First add up Uber's Fees

First, you'll need to sum Uber's fees. These include fees like the booking fee, which is a separate flat fee added to every trip that helps support safety initiatives for riders and drivers. To add up Uber's fees to determine how much you should claim as an expense, first subtract what you actually earned (excluding referrals and promotions reported on the 1099-MISC) from gross earnings reported on the 1099-K and 1099-MISC. Stride's free Uber Tax Calculator (https://www.stridehealth.com/drive/uber-1099-tax-calculator?utm_source=drive&utm_medium=blog&utm_campaign=uber1099) automatically calculates your actual earnings (minus Uber's fees) for you.

Here's another way to calculate this using your Uber tax summary, as outlined below:

Tax summary for the period 2016
BOB SMITH

Many of the fees listed below may be tax-deductible. For more information, we recommend that you consult with a qualified tax professional.

1099-K BREAKDOWN		1099-MISC BREAKDOWN	
Gross Fares (Uber Fee included)?	USD 6337.87	Referral Incentive	USD 187.93
Tolls	USD 1027.44	TOTAL	USD 187.93
Split Fare	USD 13.25		
Safe Rides Fee	USD 951.65		
Miscellaneous (fare)	USD 226.00		
Airport Fee	USD 1273.05		
Booking Fee	USD 7357.83		
TOTAL	USD 74207.11		

OTHER POTENTIAL DEDUCTIONS	
Uber Service Fee	USD 16084.11
Fuel Card Deduction	USD 1026.78
On Trip Mileage?	41978.24 mi

If the total amount on this schedule is over \$400 you will need to file Form 1099-MISC. Form 1099-MISC is only for payees who are not classified as employees.

You may deduct certain expenses on your Schedule C. See instructions for more details.

Some expenses may be deductible. Consult with a tax professional for details.

These two totals should match the gross numbers on your 1099-K and 1099-MISC. Add them to get your Total Uber Earnings.

Add these fees together to claim as a single deduction on your Schedule C.

This is your On Trip Mileage that you can also deduct on your Schedule C (on trip mileage .54 = mileage deduction)

Here's how you use the numbers above to do your own calculations and where each total belongs in a Schedule C:

1099-K Total:	\$74,207.11
+ 1099-MISC Total:	\$18,739.88
Uber Gross Total:	\$92,946.99

Put this Gross number on your **Schedule C Part 1, Line 1**

Part 1 Income

1 Gross income from all sources

Uber's Total Commission and Fees	\$26,933.55
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Put this Deduction on your **Schedule C Part 2, Line 10**

Part 2 Expenses Other expenses for business use of your home only on line 28

10 Commissions and fees

On Trip Mileage	41,978.24 mi
x .54 (Standard Mileage Deduction)	
Mileage Deduction	\$22,658.25

Put this Deduction on your **Schedule C Part 2, Line 9**

Part 2 Expenses Other expenses for business use of your home only on line 28

12 Automobile expenses

Uber's fees are deductible as "Commissions and fees" on your Schedule C.

- **If you're working with an accountant:** Make sure they have this number to deduct for you.
- **If you're using tax filing software:** You'll be prompted for business expenses to deduct. Make sure to include this one and they'll automatically plug it into a Schedule C.
- **If you're doing your own taxes:** You'll deduct these on Part II, Line 10 on your Schedule C.

Any charge taken out of the total that's reported on your 1099s can be deducted as a cost of doing business. Just be sure to keep your tax summary as documentation in case of audit.

One note: Be sure not to double-deduct anything! For example, if you rent a cell phone from Uber and have already recorded the expense elsewhere, subtract that expense from the total "Commissions and fees" that you deduct.









Tade Anzalone heads up Stride's tax and finance support and is a registered tax return preparer and 2017 Annual Filing Season Program Participant. In addition to her years of experience helping people navigate complicated finance and tax obligations, she has degrees in Government, Psychology, and Spanish from Georgetown University.

Disclaimer: The information contained in this Guide is not offered as legal or tax advice. The U.S. federal income tax discussion included in this Guide is for general information purposes only and is not a complete analysis or discussion of all potential tax consequences that may be relevant to a particular individual. In light of the foregoing, each individual should consult with and seek advice from such individual's own tax advisor

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-  (HTTPS://PLUS.GOOGLE.COM/SHARE?URL=HTTP%3A%2F%2FBLOG.STRIDEHEALTH.COM%2FTAXES%2FUBER-1099)
-  (HTTPS://WWW.STUMBLEUPON.COM/BADGE/?URL=HTTP%3A%2F%2FBLOG.STRIDEHEALTH.COM%2FTAXES%2FUBER-1099)
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