

For-Hire Driver Pre-Appointment Instructions

Includes rideshare drivers (*Uber, Lyft and similar services*)

Includes delivery & courier drivers (*Grubhub, DoorDash, Postmates and similar services*)

Congratulations, if you are an independent contractor providing rideshare or courier services then you are also a small business owner! The Tax-Aide service can prepare an in-scope personal income tax return for you, including a Schedule C for sole proprietorship business income. However, as a business owner you are responsible to keep track of and understand all of your business income and expenses.

For us to prepare your tax return, all of the following are mandatory.

- *All 3 of the following are required from every service you drove for. These probably were not mailed to you, so you'll have to login to your account(s) for whatever service(s) you are driving for. **If you have any difficulty in getting these or in understanding them, you'll need to contact the service you were working for before coming in to your appointment.***
 1. *Form 1099-K: summarizes payments received from all the clients that you drove or delivered to. If you had less than \$20,000 in payments from your service or less than 200 trips, you may not have gotten a 1099-K; however this income is still taxable.*
 2. *Form 1099-MISC: summarizes payments received from the service you worked for, including promotions, referrals and other payments. Typically, these are only produced for amounts of \$600 or more, but smaller amounts are still taxable.*
 3. *Tax Summary (may be called something similar, for example: Annual Summary, Annual Statement, etc.) produced by whatever service(s) you were working for. This breaks down your annual earnings and some of your business-related expenses that may be deductible.*
- ***Print all of these prior to your appointment. We cannot work off of your phone or a website you log into.***
- *Other business income and expenses. **Note:** If you drove for both a rideshare service and delivery/courier service then all of the below must be broken out between those 2 categories (Uber and Lyft can be combined, but must be separate from Grubhub and DoorDash which can be combined).*
 1. *Summary of **cash** tips received. Do not include tips received through the service as they would have included them already in your 1099-K or equivalent.*
 2. *Summary of your recorded miles driven in 3 categories. You need a detailed log to substantiate your mileage for the IRS, but need to provide totals for these categories.*
 - *Business miles: Includes miles driven while you had a customer in the car or were delivering to one. Also includes miles driven between rides/deliveries excluding to/from your first/last trip of the day (see next bullet). For TY2023, business miles will be expensed at 65.5 cents per mile.*
 - *Commutation: includes miles driven to/from your first/last customer of the day.*
 - *Other miles*

For-Hire Driver Pre-Appointment Instructions

- While it is permissible to deduct actual vehicle expenses instead of using the standard mileage rate, doing so is out of scope of the Tax-Aide service. The following actual vehicle expenses cannot be deducted separately when using the standard mileage rate which already covers them: normal auto insurance, lease expense, depreciation, maintenance and repairs, fuel, car washes, registration, etc.
 - 3. Expenses incurred that were 100% business use. For example: tolls, parking, airport fees, snacks/water for passengers, rideshare insurance, charging cables for passenger use, etc.
 - 5. Expenses incurred that were only partially business use. For example: auto loan interest, cell phone and mount, first aid kit, flares, road-side assistance plan, dash camera, etc. These will need to be allocated between how much was business vs. personal use (typically via the ratio of business vs. total annual miles).
- If your business expenses exceed your business income then you have a loss for the year which would be declared on your tax return so that it could offset other income that you have and/or carry back/over to prior/following years to offset income from that year. Profit/loss must be calculated separately for rideshare vs. delivery/courier services.

Total your business income and expenses. **If your expenses exceed your income:**

1. Please cancel your Tax-Aide appointment as we cannot prepare a return that includes a business loss. We cannot ignore any valid expenses to pretend there is no loss. We cannot provide you with a partially completed return.
2. Consider if you will prepare your return on your own or if you need to make an appointment with a paid preparer. We cannot advise you on how to prepare your own return or recommend a paid preparer.

2023 Self-Employed (Sch C) Worksheet (type-in fillable)

(Complete a separate worksheet for each business)

Business owner's name: _____

- | | |
|--|---|
| <input type="checkbox"/> I paid employees or other individuals
<input type="checkbox"/> I had more than \$35,000 in business expenses
<input type="checkbox"/> I kept an inventory for my business
<input type="checkbox"/> I have assets to depreciate (any > \$2,500) | <input type="checkbox"/> I want to deduct a home office
<input type="checkbox"/> I received Form 1095-A for health coverage
<input type="checkbox"/> I need to report a business loss
<input type="checkbox"/> I don't use the cash method of accounting |
|--|---|

If you checked any of the above, we are unable to prepare your return per the IRS.

*If you checked none of these above, please continue by completing the worksheet below for **each** business.*

Income	
Forms 1099 (-NEC, -MISC, -K)	\$
Cash, checks, etc. (incl. tips)	\$
Business expenses	
Advertising	\$
Commissions and fees	\$
Health insurance premiums	\$
Business insurance	\$
Interest on business loans	\$
Office expense/supplies	\$
Rent (not home office)	\$
Repairs	\$
Supplies	\$
Licenses or fees	\$

Business expenses (cont.)	
Business part of phone	\$
Training for this business	\$
Tools, etc. under \$2,500 each	\$
Travel away from home	\$
Business meals from restaurants	\$
Other business meals	\$
Other (specify)	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

Business use of car or truck	
Total mileage for year	mi.
Business miles	mi.
Commuting miles	mi.
Other miles	mi.
Vehicle description:	
Date placed in service:	

Car or truck expenses	
Car loan interest	\$
Parking, tolls	\$
Other (specify)	\$
	\$
	\$
	\$

Drivers – be sure you have with you today:

- All Forms 1099 **AND** the detail provided by the company (Door Dash, Lyft, Postmates, Uber, etc.) – you need to download and print the detail from each company's web site.
- Your trip miles **AND** your between-trip miles (do not include from home to first stop nor from last stop to home).