Sharing economy and tax

How to determine if your activities are part of the sharing economy and the impact on your super and tax.

Types of activities in the sharing economy

Work out what activities are part of the sharing economy and how income tax and GST apply.

Ride-sourcing

Being a ride-sourcing driver (sometimes referred to as ride-sharing) means you have tax obligations.

Renting out all or part of your home

What you need to know if you rent out part of your home or your entire home through the sharing economy.

Sharing assets (excluding accommodation)

Sharing assets is where you rent or hire an asset you own or lease, for a fee through a digital platform.

Providing services

If you're providing services through a digital platform for a fee,

Superannuation and the sharing economy

Ways to contribute to your own super from income you earn from the sharing economy.

Preparing for a potential tax bill

Income you earn from the sharing economy may not have tax withheld, which means you might end up with a tax bill.

Data matching

How and why we request data from various platforms in the sharing economy.

In detail

Detailed information about the sharing economy and tax.

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Types of activities in the sharing economy

Work out what activities are part of the sharing economy and how income tax and GST apply.

10 February 2023

About the sharing economy

If you provide services or assets for a fee through the sharing economy, income tax and GST applies to your earnings.

Watch

Popular sharing economy activities include:

- providing ride-sourcing (also known as ride-sharing) services for a fare through platforms such as Uber, DiDi, Shebah or GoCatch
- renting out a room or house or unit on a short-term basis through platforms such as Airbnb, HomeAway or Flipkey
- sharing assets through platforms such as Camplify, Uber Carshare, Turo, Spacer, Toolmates or Quipmo, including
  - cars
  - caravans or RVs
  - car parking spaces
  - storage space
  - personal belongings
- providing creative or professional services through platforms such as OneFlare, Mad Paws or Airtasker, including
  - graphic design

- creating websites
- odd jobs like deliveries and furniture assembly.

This is also known as the 'gig economy'.

Activities not part of the sharing economy

Some activities aren't considered part of the sharing economy, such as:

- online selling or classifieds, for example, Gumtree, eBay or Carsales
- cryptocurrency exchanges
- peer-to-peer finance or crowdfunding.

However, you still need to consider how income tax, GST and other obligations may apply to you if you earn income from these other activities.

Get help with your tax affairs

If you need more help with your tax affairs, you can always speak to a registered tax or BAS agent.

For more information on the sharing economy and tax see:

- Superannuation and the sharing economy
- Preparing for a potential tax bill
- Data matching
- Sharing Economy Reporting Regime

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Ride-sourcing

Being a ride-sourcing driver (sometimes referred to as ride-sharing) means you have tax obligations.

12 June 2019

Ride-sourcing, sometimes referred to as ride-sharing, is an ongoing arrangement where:

- you (a driver) make a car available for public hire for passengers
- a passenger uses a third-party digital platform, such as a website or an app, to request a ride, for example, Uber, Shebah, or GoCatch
- you use the car to transport the passenger for payment (a fare).

Income tax applies to your ride sourcing income. Ride-sourcing is also subject to goods and services tax (GST). All ride-sourcing drivers need to have an Australian business number (ABN) and be registered for GST.

For GST you need:

- an ABN
- to register for GST from the day you start, regardless of how much you earn
- to pay GST on the full fare
- to lodge business activity statements (BAS) monthly or quarterly (you can't choose to lodge annually)
- to know how to issue a tax invoice (you need to provide one for fares over $82.50 if asked)

For income tax you need to:

- include the income you earn in your income tax return
- only claim deductions related to transporting passengers for a fare, including apportioning expenses limited to the time you are providing a ride-sourcing service
- keep records of all your expenses and income (you can use the myDeductions tool in our app).

Find out about:

- Registrations
- Reporting and paying GST
- Tax invoices

- Income and deductions for ride-sourcing
- Record keeping

Use our checklist to help you get it right

If you speak a language other than English, you can read our guide, Ride-sourcing – the basics, in the following languages:

- Arabic
- Chinese
- Dari
- Hindi
- Korean
- Punjabi
- Vietnamese

Watch:

Registrations

Providing ride-sourcing services requires an Australian business

Reporting and paying GST

GST applies to every dollar you earn as a ride-sourcing driver.

Tax invoices

Ride-sourcing drivers need to provide a tax invoice for fares over $82.50 (including GST) when a passenger requests one.

Income and deductions for ride-sourcing

All money earned from ride-sourcing activities is assessable income and must be reported in your tax return.

Record keeping

Find out what you need to keep track of when providing a ride-sourcing service.

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Registrations

Providing ride-sourcing services requires an Australian business number (ABN), and be registered for and pay GST.

12 June 2019

If you're a ride-sourcing driver, you must be registered for GST before your first trip. To be registered for GST, you need to have an ABN.

Ride-sourcing is taxi travel for GST purposes. The standard GST registration rule for GST turnover of $75,000 or more does not apply when it comes to ride-sourcing – you have to register for GST regardless of how much you earn.

You can get an ABN and register for GST at the same time if you register online, or a registered tax or BAS agent can do this for you.

When applying for an ABN, use the following details:

- type 'taxi ride sourcing' as your **business description**
- select 'taxi driver' (except owner/operator)' or 'taxi cab service'.

When registering for GST, you need to:

- register from the date you intend to, or started, ride-sourcing
- choose to report your GST payments monthly or quarterly (you can't choose annually).

Once you have registered for GST, provide your ABN to the platform you're using, as they may issue tax invoices for you.

If you already have an ABN but haven't registered for GST yet, you have to register within 21 days from the time you start providing ride-sourcing services. You can register for GST online, by phone or through your registered agent.

If you're already registered for GST, for example as an IT contractor, you can use the same GST registration for your ride-sourcing activities.

Fuel tax credits

You aren't entitled to claim fuel tax credits, so registration for fuel tax credits is not required.

Fuel tax credits can only be claimed for eligible fuels and activities. Fuels used in light vehicles travelling on public roads, including for ride-sourcing services, aren't eligible.

See also:

- Registering for GST
- Fuel tax credits – business
- Ineligible fuels and activities

Reporting and paying GST

GST applies to every dollar you earn as a ride-sourcing driver.

12 June 2019

GST applies to every dollar you earn as a ride-sourcing driver.

GST is charged on the full fare passengers pay you for ride-sourcing services. The full fare, which includes GST, is generally calculated by the platform you're using.

As a ride-sourcing driver, you need to report and pay the GST your business has collected using a BAS.

Once you have registered for GST, you can also use a BAS to claim a credit for any GST included in the price of any goods and services you buy for your business.

You need to report your GST payments monthly or quarterly on a BAS (you cannot choose to report annually).

Find out about:

- Fares
- GST credits

See also:

- Business activity statements (BAS)
- Claiming GST credits

Fares

Find out how to calculate the GST payable on fares you receive for providing ride-sourcing services.

GST credits

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Fares

Find out how to calculate the GST payable on fares you receive for providing ride-sourcing services.

12 November 2019

The fare calculated by your digital platform is the full fare, which includes goods and services tax (GST).

GST must be calculated on the full fare, not the net amount you receive after deducting any fees or commission. For example, if a passenger pays $55 for a fare:

- the GST payable is $5 (1/11th of the fare)
- the digital platform takes out their fees or commission, for example $11, and pays you $44
- if the digital platform fee of $11 includes GST, you may be entitled to claim a GST credit of $1 (1/11th of the fee).

Some digital platforms include GST on the commission they charge. If they do, you may be entitled to claim a GST credit.

You will need to look at how each digital platform charges fares to determine the correct way to calculate your GST.

Example: How GST is calculated on fares

During the week, John is a ride-sourcing driver and does the following jobs:

Day	Total fare $
Monday	153.00
Tuesday	220.00

Wednesday	Day off
Thursday	256.00
Friday	768.00
Saturday	812.00
Sunday	345.00

His fares for the week add up to a total of $2,554. John is registered for GST, and works out the GST on the fares by dividing 2,554 by 11. The GST on the week's work is $232.18. John will also be able to claim GST credits for GST paid on fuel and other expenses he incurred providing ride-sourcing services, including any GST in the digital platform's commission on the total amount of $2,554.

See also:

- GST credits

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GST credits

If you provide ride-sourcing services, you may be able to claim GST credits under certain conditions.

12 June 2019

If you provide ride-sourcing services, you may be able to claim GST credits for business purchases you make, such as:

- fuel
- tolls and parking fees
- registration and insurance
- service fees or commission charged by the platform

- a depreciating asset.

GST credits are claimed when you lodge your BAS.

You need to apportion your expenses, and the GST on those expenses, between personal and business use. You can only claim a GST credit for the business portion of the expense.

If you have claimed a GST credit for an expense, you can only claim a deduction for the expense minus the GST in your income tax return.

Example: How to apportion and work out your GST credit

Hugo uses his car 10% for ride-sourcing and 90% for private purposes. Hugo has the following expenses in his first month of driving:

- a new car to use for ride-sourcing services for $33,000 (including $3,000 GST)
- $1,100 for fuel (includes $100 GST)
- $2,200 for a service (includes $200 GST)

The total GST on his expenses is $3,300.

After apportioning his expenses for business and private use, Hugo can claim a GST credit of $330 (10% of $3,300).

See also:

- Claiming GST credits

Service fees or commission

You may be charged GST on service fees or commission charged by a GST-registered platform. If this is the case, you can claim a GST credit if you're registered for GST.

If the service the platform provides is completely or partly from outside Australia, and you haven't provided the platform with your ABN and a declaration that you are registered for GST, they must assume that you’re not registered, and GST will be applied.

Expenses paid for by passengers

There are some expenses that are paid for by passengers, for example tolls. You are entitled to claim a GST credit for the GST included in the price of expenses paid for by your passengers.

Example: GST credits and expenses paid for by passengers

John takes a passenger and pays a toll of $2.20 including 20c GST. John can claim a GST credit of 20c.

With a fare of $22.00 (including $2.00 GST), the passenger pays a total charge of $24.20, including tolls.

John's GST liability on the fare is $2.20, including 20c relating to the toll.

His GST liability on the 20c toll is offset by the 20c GST credit.

Purchasing or upgrading a car

When purchasing or upgrading a car for ride-sourcing activities, you need to have genuinely been in business at the time of purchase to claim a GST credit. This means you need:

- an ABN and to be registered for GST at the time of purchasing the car
- to have made your first ride-sourcing trip before or within a reasonable amount of time after purchasing.

You cannot backdate your registration to claim the GST on a new car if you don't meet this criteria.

Generally, if you purchase a car and the price is more than the car limit, the maximum amount of GST credit you can claim is one-eleventh of the car limit amount.

You can't claim a GST credit for any luxury car tax (LCT) you pay when you purchase a luxury car, regardless of how much you use the car in carrying on your business.

In general, the value of a car includes the value of any parts, accessories or attachments supplied or imported at the same time as the car.

See also:

- Car cost limit for depreciation

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Tax invoices

Ride-sourcing drivers need to provide a tax invoice for fares over $82.50 (including GST) when a passenger requests one.

12 June 2019

If a passenger requests a tax invoice (not just an invoice) for a fare over $82.50 (including GST), you must provide one within 28 days of their request.

The platform might do this on your behalf if they have your GST registration details. However, if they don't, you need to provide a tax invoice that includes your ABN (such as using a tax invoice book with your ABN on it).

The tax invoice must contain certain information including your ABN. If the platform will issue tax invoices on your behalf, you should advise them of your GST registration details.

Any fares under $82.50 (including GST) do not require a tax invoice so you can just issue an invoice.

See also:

- Tax invoices
- Types of invoices (business.gov.au)

Requesting a tax invoice

If you pay for ride-sourcing services, you can request a tax invoice from the driver for fares over $82.50 (including GST). Some platforms provide tax invoices on behalf of the drivers and are available through their app or website.

If you receive a tax invoice that doesn't contain the required information and you wish to claim a GST credit, you should contact the driver and ask them to issue a correct tax invoice.

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Income and deductions for ride-sourcing

All money earned from ride-sourcing activities is assessable income and must be reported in your tax return.

7 September 2020

The income you earn from ride-sourcing is assessable income. This includes fares, tips or bonuses from the digital platform. You must report it in your annual tax return. This applies even if you're providing ride-sourcing services on a casual basis to supplement your income from another job or other business activities.

You can also claim deductions for expenses to the extent that they directly relate to providing ride-sourcing services.

Lodging your tax return

You need to lodge a tax return regardless of how much you earn from providing ride-sourcing services because you are operating a business. Lodge the tax return for individuals, including the supplementary section and the business and professional items schedule.

The fastest way to lodge is through myTax or a registered tax agent.

If you use myTax:

- declare the income as **business income** by selecting
  - you were a sole trader or had business income or losses, partnership trust distribution (not from a managed fund)
  - business/sole trader income or loss

  - business income or loss.

- type 'Taxi service operation (owner operator)' as your main business or professional activity if your main source of business income is ride-sourcing.

Next step:

- [Income tax return]

Claiming deductions

Expenses you incur while providing ride-sourcing services are deductible. This can include costs related to maintaining or operating assets, such as a car or mobile device.

If you claim a goods and services tax (GST) credit for GST paid on an expense, you can only claim the remaining amount (the total cost minus GST) as an income tax deduction.

Expenses can sometimes be part business and part private use. You can only claim a deduction for the business portion of the expense – this is called apportionment. You need to show how you calculated the business and private use of your expenses.

Some examples of expenses you may be able to claim, if you incurred them while providing ride-sourcing services, include:

- depreciation for assets you own, such as your car (you may need to be able to prove ownership)
- fees or commission charged by the digital platform
- fuel
- lease payments for a car
- parking fees
- bottled water, mints, tissues, and newspapers that are provided for the use of passengers
- wipes, sanitisers and anti-bacterial spray provided for passengers and used to clean your vehicle
- tolls if the passenger didn't pay for them (you may be entitled to claim a GST credit for GST included in the price of the toll)

- state or territory commercial licences and approvals such as
  - driver accreditation, driver registration and application fees, medical tests and police checks. Note: The costs of getting and maintaining a private driver licence is considered a private expense and is not deductible.

- tax agent fees and payments for similar services.

There are special rules for working out deductible car expenses.

You may be eligible for a range of concessions if you're a small business entity, such as the instant asset write-off. To work out if you are eligible, first work out if you are a small business entity in an income year. You cannot claim an instant asset write off for your car if you owned it as a private-use car before starting your ride-sourcing activities. You must review your eligibility each year.

You can keep records for deductions in hard copy or electronically. Keep all records for five years following the lodgment of your tax return.

See also:

- Deductions
- Depreciation and capital allowances and expenses
- Concessions at a glance
- GST credits and income tax deductions
- myDeductions

Working out the business/private portion of an expense

When claiming a portion of an expense as a business-related deduction, you need to be able to show how you calculated the business-related amount. This is known as apportionment.

Common ways to show how you apportioned expenses include:

- keeping diary entries of specific usage throughout the year
- claiming expenses from an itemised bill.

You can use the myDeductions tool in the ATO app to record your expenses. This includes expenses apportioned for both business and private use.

Example 1: Personal travel and ride-sourcing

Gina has a job in the city and signed up to be a ride-sourcing driver to earn extra income.

Gina turns on her app every morning when she drives to work. Some days she's notified of jobs and collects passengers and drops them off before driving to work. Other days, Gina doesn't get any jobs, or she rejects them because she doesn't have time.

On the days Gina doesn't get jobs, she can't count the kilometres travelled as business related even though she had the app turned on. The main purpose of the travel is for Gina to get to her main job, which is for a private purpose.

On days Gina is notified of a job and decides to accept it, her business-related travel starts at the time she accepts a job and finishes at the time she completes the job. She can only count kilometres travelled as business related when she's driving to collect a passenger and taking them to their destination. These are the kilometres associated with providing the ride-sourcing service and earning income.

Gina can't count kilometres travelled as business related after dropping the client off and travelling to her main job. She's not travelling between workplaces and the main purpose is travelling to her job, which is private expense.

Example 2: Travel for business purpose turns into a personal trip

It's a Saturday night and Gina heard that ride-sourcing drivers get a lot of work if they're available. She turns on her app when she leaves her house and drives around the city for three hours and then drives home. Since Gina's only intention for the trip was to produce ride-sourcing income, she can count all the kilometres from leaving her home until she gets home three hours later as work related.

If, at some point during this time, she decides that business is slow and meets up with friends instead, she can't count any further travel as business related. This is because the purpose of the travel changes from business to personal.

Example 3: Claiming parking fees

While running errands, Gina parks her car and incurs parking fees. As the main purpose of the trip is private she can't claim the parking fees, even if she had her ride-sourcing app turned on.

Gina finishes her errands and decides to find some ride-sourcing work, so she drives to the beach in the hope she picks up a fare in the area. To save on fuel, Gina parks the car in the beach parking lot and pays for one-hour parking at a cost of $5. Gina sits in the car with the app on, she is notified after 30 minutes and accepts a ride-sourcing job. Since the only reason Gina drove to the beach was with the intent to get ride-sourcing work and earn income, she can claim the $5 parking fee paid as a deduction.

Calculating car expenses

You'll likely use your car for ride-sourcing services and personal use, which means you need to apportion any car expenses.

There are two methods to work out car expenses for sole traders:

- cents per kilometres travelled
- keeping a logbook to calculate the amount of car expenses claimed.

When choosing a method, you:

- can use our work-related car expenses calculator to work out which method gives you the best result
- can use different methods for different vehicles
- can change methods from year to year
- must keep appropriate records.

These methods can only be used to claim expenses for a car you owned or leased. You are treated as the owner if you held the car under a hire purchase agreement.

You cannot claim a deduction for ownership expenses relating to a car owned or leased by someone else, including your employer or another member of your family. However, we consider you to be the owner or lessee of a car and eligible to claim expenses where a family or private arrangement made you the owner or lessee even though you were not the registered owner. For example, you can claim for a car that was given to you by another member of your family and which, although it was not registered in your name, you had permission to use, or deal with, as your own and for which you paid all expenses including registration and any insurance.

If you use someone else's car for ride sourcing purposes, such as borrowing a friend or family member's car, and you do not have permission to use, or deal with, the car as your own, you will only be able to claim the direct costs (such as fuel) that you paid as a deduction. You will not be able to claim the costs of ownership such as depreciation.

The easiest way to track your car expenses is by using the ATO app's myDeductions tool.

See also:

- myDeductions – [Add your trips]
- [Work-related car expenses calculator]

The cents per kilometre method

When using the cents per kilometre method, you base your claim on a set rate for each business kilometre. You can claim up to a maximum of 5,000 business kilometres per car per income year. The set rate per business kilometre covers the general running costs of your car including depreciation, fuel, servicing and insurance, so you don't claim deductions for these expenses separately.

If you use the cents per kilometre method, you do not need written evidence to show how many kilometres you have travelled. However, we may ask you to show how you worked out your business kilometres (for example, by producing diary records of ride-sourcing kilometres travelled).

Where you and another joint owner use the car for separate income-producing purposes, you can each claim up to a maximum of 5,000 kilometres.

Note: If you use the cents per kilometre method, you can't make a separate claim for depreciation of the car's value.

The logbook method

When using the logbook method, you can claim the business-use percentage of car expenses.

Expenses include running costs, depreciation and interest. It does not include capital costs such as the purchase price of your car or an amount borrowed to buy it.

To work out your business-use portion, you need a logbook and the odometer readings for the logbook period, which is a minimum continuous period of 12 weeks.

Each logbook you keep is valid for five years, but you may start a new logbook at any time. If you establish your business-use percentage using a logbook from an earlier year, you must keep that logbook and maintain odometer readings in the following years.

You can claim fuel and oil costs based on either your actual expenditure or you can estimate the expenses based on odometer records that show readings from the start and the end of the period you had the car during the year.

You need written evidence for all other car expenses.

See also:

- Cents per kilometre method
- Logbook method
- Motor vehicle expenses

Expenses you can't claim

There are some expenses you can't claim because they're personal expenses or not allowed under the law. This includes things like:

- the cost of getting and maintaining a private driver licence
- fines, for example speeding or parking fines

- fuel tax credits
- personal or private expenses, such as meals you purchase while on a break, or the private use of a car used for ride-sourcing activities.

See also:

- Fuel tax credits

Non-commercial losses

As a ride-sourcing driver carrying on a business, there are restrictions on your ability to use a yearly loss from your ride-sourcing business against other income. It would be considered unusual for ride-sourcing drivers to have deductions greater than their income for a tax year. In these circumstances, you would need to consider the non-commercial loss rules.

See also:

- Non-commercial losses
- Losses

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Record keeping

Find out what you need to keep track of when providing a ride-sourcing service.

12 June 2019

Records you need to keep for ride-sourcing include:

- statements from ride-sourcing platforms that show your income
- receipts of any expenses you want to claim deductions for
- logbooks and odometer readings.

One of the easiest ways you can keep records for ride-sourcing is by using the myDeductions tool in the ATO app. You can:

- include your income from ride-sourcing and record how much GST is included
- take a photo of receipts and enter details
- indicate a percentage for private use
- use the 'add trip' function to set up a logbook and record your trips.

We don’t track personal information entered in the app. When it comes to tax time, you can share your records from myDeductions with your tax agent via email or upload them to us and we will prefill your myTax tax return or your tax agent's SBR-enabled software.

See also:

- myDeductions
- Record keeping for business

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Renting out all or part of your home

What you need to know if you rent out part of your home or your entire home through the sharing economy.

12 June 2019

When you rent out all or part of your residential house or unit through a digital platform, like Airbnb, Home Away or Flipkey, you:

- need to keep records of all income earned and declare it in your income tax return
- need to keep records of expenses you can claim as deductions
- don't need to pay GST on amounts of residential rent you earn.

If you are carrying on an enterprise renting out commercial residential premises, such as a commercial boarding house, you will have different income tax and GST obligations. However, just because you provide services in addition to providing a room (for example, provide breakfast or cleaning services) doesn’t mean that you are providing ‘board’ – or anything else other than renting out your space. It is rare for someone to be carrying on a business because they are renting out a property.

Find out about:

- How GST applies to residential rent
- Income and deductions for renting out your home
- How capital gains tax applies

See also:

- Using your home to produce income

How GST applies to residential rent

GST doesn't apply to residential rent, however you may need to report and pay GST in some situations.

Income and deductions for renting out your home

Income you earn from renting out a room or your house needs to be reported. You can make claims for associated expenses.

How capital gains tax applies

Renting out a room or your home? Learn how capital gains tax applies when you sell your home.

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How GST applies to residential rent

GST doesn't apply to residential rent, however you may need to report and pay GST in some situations.

12 June 2019

GST doesn't apply to residential rent. You're not liable for GST on the rent you charge, and you can't claim any GST credits for associated expenses.

This applies even if you carry on another GST-registered enterprise. For example, if you're a ride-sourcing driver, you will need to account for GST on your ride-sourcing activity, but you don't need to account for GST from income earned from renting out a room or a house or unit. This is because GST doesn't apply to residential rent.

You have to pay GST if you provide accommodation in commercial residential premises, such as a hotel room or serviced apartment, a bed and breakfast, or if you rent out commercial spaces like a function room or office space. These types of accommodation are subject to GST.

See also:

- Commercial residential premises and GST

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Income and deductions for renting out your home

Income you earn from renting out a room or your house needs to be reported. You can make claims for associated expenses.

12 June 2019

If you rent out all or part of your house or unit, the payments you receive are assessable income. This means:

- you must declare the income as **rental income** in your tax return
- you can only claim deductions for associated expenses – apportioned:
  - for the time the room/property is rented (or occupied for payment), and

– to reflect only the part of the property that is rented.

It doesn't matter who registers on the platform, income is declared by the owners of the property, according to their ownership or lease interest in the property. For example, if you have a 12-month lease on an apartment and occasionally rent out a room through a digital platform, you will need to declare any income you earn from this.

You may also need to pay capital gains tax (CGT) when you sell the house or unit. Even if the house or unit is your main residence, renting out any part of it usually means losing part of your CGT main residence exemption.

You will need to keep records such as:

- statements from platforms that show your income
- receipts of any expenses you want to claim deductions for.

Watch:

See also:

- Keeping records – rental properties

Deductions you can claim

Common expenses you can claim a portion of as deductions include:

- council rates
- interest on a loan for the property
- electricity and gas
- property insurance
- cleaning and maintenance costs (products used or hiring a commercial cleaner).

You may be able to claim 100% of fees or commission charged by the platform.

How much of the expense that can be claimed will depend on:

- the number of days you rent out the house or property during the year
- the portion of the property you have rented out (for example, a room or the whole property).

See also:

- Rental expenses to claim

Renting out part of a home

If you are only renting part of your home, for example a single room, you can only claim expenses related to renting out that part of the home. This means you can't claim the total amount of the expenses – you need to apportion the expenses for both private and income-producing use.

As a general guide, apportion your expenses based on the floor-area solely occupied by the renter (user), and add that to a reasonable amount based on your guest's access to common areas.

You can only claim expenses for the days in a year when the room was rented to a client. When a room in your home is not being rented out, it is treated as being used privately as part of your home.

Example: Renting out part of your home

Jane has a two-bedroom unit with two bathrooms in a popular downtown area. Jane lives alone and only uses her spare room as an occasional home office for storage and when she has guests. She mainly uses the ensuite bathroom. The second bathroom is accessible from the main areas and is mainly used by visitors.

Jane decides to rent out the spare room using a digital platform to earn extra income.

The unit is 80 square metres in total. The spare room being rented is 10 square metres.

Jane also gives paying guests access to common areas including the second bathroom, kitchen, living area and balcony, which totals 50 square metres. She also offers her guests access to her wi-fi for free.

For the period guests are staying and have access to common areas (along with Jane), Jane can claim 50% of the deductible portion of associated costs related to the common areas.

Jane had the room occupied 150 days in the year.

Jane calculates what she can claim based on the following questions:

- How big is the room? 10 square metres.
- How big is the house? 80 square metres.
- How big are the common areas? 50 square metres.
- How many days is the room rented out? 150 days.

She works out she can claim 17.97% of her general expenses after adding the two calculations together:

- room occupancy – (10÷80 × 150 ÷ 365) × 100 = 5.13%
- common areas – ((50÷80 × 150 ÷ 3 65) × 50%) × 100 = 12.84%.

Jane can claim a deduction of 17.97% of her general expenses such as electricity, interest on her mortgage, rates and body corporate fees.

She can claim 100% of the expenses associated solely with renting out the room, such as the platform's service fees or commission.

Renting out your main residence on an occasional basis

If you rent out your home (whole house or unit) on an occasional basis through the sharing economy, you can claim the portion of expenses relating to when you rented it out.

This may apply if you rent out the house or unit when you're away for a period of time, or if you vacate the house or unit to allow paying guests to stay.

In this case, the total expenses you can claim reflect the portion of the financial year the house or unit was rented out.

You can claim 100% of any expenses that are only related to renting out the house or unit to paying guests (such as fees or commission charged by the platform).

Example: Renting out your main residence on an occasional basis

John and Mary live in a one-bedroom unit in the city, which they list as available for rent on a digital platform for paying guests. When John and Mary accept a booking for their unit, they stay with Mary’s parents.

Because the unit is John and Mary’s main residence, and they only vacate the place when there's a booking, they can only claim expenses based on the time that it was rented out.

Last year, John and Mary rented out the unit for 100 nights. This means they can claim 27.93% of expenses (100 ÷ 365 × 100).

John and Mary can claim 100% of the expenses associated solely to renting out the unit, such as the platform's service fees or commission.

See also:

- Rental expenses to claim
- Rental properties 2019
- Holiday homes

53226

How capital gains tax applies

Renting out a room or your home? Learn how capital gains tax applies when you sell your home.

12 June 2019

You make a capital gain if you sell a CGT asset, such as a house, and make a profit. Any gain you make is assessable income and you must include that amount in your tax return for the year that you make the gain. The amount of tax you pay on a capital gain depends on a range of factors including when you bought and sold the asset, the cost of the asset, your other taxable income, and how you use the asset.

A capital gain from the sale of your main residence is usually exempt from capital gains tax (CGT). However, if you use your main residence to earn income, for example by renting out a room on a sharing economy platform, you will no longer eligible for the full CGT exemption on that main residence. You will lose a portion of your main residence exemption based on the floor area rented out, and the length of time it was rented.

There are some circumstances where you won't lose the CGT main residence exemption, for example where you move completely out of your main residence to live in another home for a period of time.

If you use a sharing economy platform to rent out all or part of a property that you don't own, CGT doesn't apply to you.

Watch:

See also:

- Using your home to produce income
- Your main residence
- Capital gains tax property exemption tool

53227

Sharing assets excluding accommodation

Sharing assets is where you rent or hire an asset you own or lease, for a fee through a digital platform.

9 February 2023

When you share assets (excluding accommodation) through a digital platform, you:

- need to declare all income you receive in your income tax return
- are entitled to claim certain expenses as income tax deductions
- need to keep records of the income you earn and of the expenses you can claim as deductions

- may need to apply for an Australian business number (ABN) and register for GST, if you're running an enterprise of renting or leasing (sharing) assets
- will only be taxed on the gain you make on a depreciating asset when you sell the shared asset.

There are many types of assets that can be shared through a platform, including:

- personal assets - for example, bicycles, boats, cars and caravans/recreational vehicles (Uber Carshare, Camplify or Get My Boat platforms)
- storage or business space - for example, car parking spaces, offices and kitchens (Spacer, Parkhound or Rubberdesk platforms)
- personal belongings - for example, tools, equipment and clothes (Toolmates, Kindershare or The Volte platforms).

Renting out all or part of your home has different rules you need to consider.

How GST applies when sharing assets

If you're running a business of sharing assets, you need to consider whether you need an ABN and GST registration.

Income and deductions for asset sharing

Income from sharing assets needs to be reported in your tax return. You may be able to claim for associated expenses.

Selling shared assets

If you rent or lease (share) assets for a fee through a digital platform and decide to sell your asset, tax may apply.

59252

How GST applies when sharing assets

If you're running a business of sharing assets, you need to consider whether you need an ABN and GST registration.

12 June 2019

If you're running an enterprise of renting or leasing (sharing) assets, you may need to apply for an Australian business number (ABN) and register for GST if:

- your GST turnover is $75,000 or more
- you are entitled to claim fuel tax credits for your business and wish to do so (fuels used in light vehicles travelling on public roads aren't eligible for fuel tax credits).

When working out your GST turnover, you need to look at the income from all of your businesses or enterprises.

If you're registered for GST, you can claim GST credits for expenses related to your business. If you're claiming GST credits for purchasing an asset, you need to apportion the expense for personal and business use. Additionally, cars have special rules when claiming GST credits that you need to consider.

If you're already registered for GST

If you have an existing GST registration and you use the same ABN for asset-sharing activities, you will need to report and pay GST on all business income you receive.

See also:

- Registering for GST
- Working out your GST turnover
- Claiming GST credits
- GST and motor vehicles
- Fuel tax credits – business

59251

Income and deductions for asset sharing

Income from sharing assets needs to be reported in your tax return. You may be able to claim for associated expenses.

12 June 2019

The income you earn from sharing assets (that you own or lease) is assessable income and must be reported in your income tax return. This applies even if the income from asset sharing is small or is only done to supplement your income from a job or business activities.

You can claim deductions for expenses that directly relate to sharing your assets.

You will need to keep records such as:

- statements from platforms that show your income
- receipts of any expenses you want to claim deductions for.

The person or people who own or lease the asset, regardless of who is registered on the platform, reports the income in their tax return. If you own an asset jointly with another person, you will need to declare your income and expenses in proportion to your share of the asset.

If you are carrying on a business of renting, leasing or sharing assets, what you need to report and how you lodge your annual tax return for your business depends on your type of business entity.

See also:

- Records you need to keep – for individuals
- Income tax return – for business

Lodging your tax return

If you earn income from sharing assets, you need to include this income in your tax return.

If you're not an employee of the platform or carrying on a business, report any asset-sharing income as **other income**. Make sure to include the **platform name** as the description and report income from each platform separately.

Any deductions related to asset-sharing income should be included as **other deductions**.

If you're carrying on a business of asset sharing, then the income needs to be reported in the income tax return of the entity that carries on the business.

If you own the asset jointly with another person, each person needs to report the income and deductions related to their share of the asset.

Example: Earning income from sharing a jointly-owned asset

Giorgio and Marie co-own a boat equally (50% each). They decide to share their boat with others through a digital platform while they're not using it.

At the end of the financial year, Giorgio works out:

- Total income earned from sharing the boat: $20,210.
- Total allowable deductions (apportioned to actual days rented out) from sharing the boat: $3,500.

As the boat is owned equally between Giorgio and Marie, Giorgio halves the above amounts and reports the following in his return:

Label	Description	Amount
Other income	Share my boat	$10,105 (50% of $20,210)
Other deductions	Asset sharing	$1,705 (50% of $3,500)

Next steps:

- Lodging your tax return – for individuals
- Income tax return – for business

See also:

- 24 Other income 2018
- D15 Other deductions
- P8 Business income and expenses 2018 (for sole traders)

Claiming deductions

To claim a deduction for asset-sharing expenses:

- you must have spent the money yourself and have not been reimbursed
- it must relate directly to asset-sharing income
- you must have records to prove it.

You will likely have expenses related to both personal and income-producing use when sharing your assets. You can only claim a deduction for the income-producing portion. You will need to work out the percentage that reasonably relates to the income-producing use and apportion the expense.

Some common examples of expenses for sharing assets include:

- maintenance or servicing of the asset
- decline in value (depreciation)
- insurance
- registration (for example, for cars, caravans/RVs or boats).

Some service fees or commission charged by an asset-sharing platform may be claimed as a deduction in full, depending on the nature of the fees and charges.

If you're registered for GST and claimed GST credits on your expenses, you can only claim the remaining amount (expense minus the GST) as a tax deduction.

Some assets, such as cars, have specific rules for claiming deductions.

See also:

- [Peer-to-peer caravan and RV sharing deductions]
- [Peer-to-peer car sharing deductions]
- [GST credits and income tax deductions]

59295

Selling shared assets

If you rent or lease (share) assets for a fee through a digital platform and decide to sell your asset, tax may apply.

12 June 2019

If you sell a shared asset that is personal property (such as a boat, caravan, RV or car) and have claimed depreciation, you may need to include part of the depreciation as assessable income in your tax return **if** the amount of depreciation for tax purposes is greater than the asset's real decline value reflected in the sale price of the asset.

If you share an asset for a fee through a digital platform, it's likely you'll use the asset for both income-producing and private use.

Generally, you will only be taxed on the gain you make on a depreciating asset, when you sell the asset, to the extent that you were using it to rent out, and not privately.

See also:

- [Disposing of a depreciating asset]
- [Guide to depreciating assets 2018]

59253

Providing services

If you're providing services through a digital platform for a fee, this income needs to be reported in your tax return.

9 February 2023

This type of service is sometimes referred to as the 'gig economy' or 'on-demand'. You'll need to keep records to support deductions you claim for expenses related to earning this income.

There are many types of services that you can provide through a digital platform.

Delivering goods

When delivering goods through a platform (for example,UberEats, Menulog, Hungry Panda, Loadshift, or Sherpa), how you are engaged will depend on your relationship with the platform and other parties to the arrangement. Whatever form the engagement takes, what you earn is assessable income and needs to be reported in your tax return.

Performing tasks and activities

You may perform tasks and activities through a platform (for example, AirTasker, Urban You or Paw Shake) for other people that relate to home or private aspects of daily life.

Often, this involves providing services in a peer-to-peer arrangement. Even though these activities may be occasional, what you earn is still assessable income and needs to be reported in your tax return.

Providing professional services

You may also provide professional services through a platform (for example, 99designs, OneFlare, or Upwork). You may be engaged in one of the following ways:

- as an employee or independent contractor
- peer to peer
- as a business providing services.

However, what you earn is still assessable income and needs to be reported in your tax return.

What it means for you

It doesn't matter whether you are an employee, independent contractor, carrying on a business, or none of these. When you provide these services in return for a fee, the income you earn is still assessable and needs to be reported in your tax return – even if it's a one-off payment.

In addition, if you are carrying on a business, your tax obligations are the same whether you source your work through the sharing economy or through traditional methods, such as tenders, contracts or word-of-mouth.

Find out about

- How GST applies when providing services
- Income and deductions for providing services

See also

- Are you in business?
- Employee or contractor - what's the difference

How GST applies when providing services

You may need to register for GST if you're running an enterprise of providing services using a digital platform.

Income and deductions for providing services

Income you earn for providing services through a digital platform needs to be reported in your tax return.

59254

How GST applies when providing services

You may need to register for GST if you're running an enterprise of providing services using a digital platform.

12 June 2019

If you're running an enterprise of providing services through a digital platform you may need to register for an Australian business number (ABN) and goods and services tax (GST). If you're an employee, you are not entitled to an ABN or required to be registered for GST.

You need to register for GST if:

- your GST turnover is $75,000 or more
- you are entitled to claim fuel tax credits for your business and wish to do so (fuels used in light vehicles travelling on public roads aren't eligible for fuel tax credits).

When working out your GST turnover, you need to look at the income from all of your businesses or enterprises.

If you're registered for GST, you can claim GST credits for any expenses related to your business.

You need an ABN to register for GST.

If you're already registered for GST

If you have an existing GST registration and you use the same ABN for sharing economy activities, you will need to report and pay GST for all business income.

For example, you will need to report and pay GST for all income if:

- you're providing ride-sourcing services and dog-sitting services (as an enterprise) and use the same ABN
- you run a GST-registered business as a tradesperson and you pick up odd jobs through the sharing economy using the same ABN.

See also:

- Are you in business?
- Registering for GST
- Working out your GST turnover

- Claiming GST credits
- Fuel tax credits – business

59297

Income and deductions for providing services

Income you earn for providing services through a digital platform needs to be reported in your tax return.

12 June 2019

Income you earn from providing your services through a digital platform is assessable income and needs to be reported in your tax return.

This applies even if this income is to supplement your income from a job or business activities. It does not matter whether you are carrying on a business or engaged as an employee or independent contractor. The money you earn from providing services of any kind for a fee needs to be declared in your tax return. You can claim deductions for expenses that directly relate to your services income.

How you report your income and the deductions you can claim will depend on your relationship with the platform and other parties to the arrangement.

You will need to keep records such as:

- statements from platforms that show your income
- receipts of any expenses you want to claim deductions for.

See also

- Records you need to keep – for individuals
- Record keeping for business

Lodging your return

How you lodge your return will depend on your relationship with the platform and other parties to the arrangement.

If you are in business

If you're providing services as a business, you will need to include this income as **business income** in your tax return. The structure of your business will determine which return this income is reported in. When earning income for services as a business, you need to consider whether personal services income (PSI) applies to you.

Income you earn mainly from your personal skills, efforts or expertise is classified as PSI. If the income is PSI, you will need to work out if special tax rules (the PSI rules) apply. If the PSI rules apply, they will affect how you report your income to us and the deductions you can claim.

You can use the PSI tool to work out whether PSI was received and if the PSI rules apply.

Next steps

- Personal services income tool
- Income tax return – for business

See also

- Personal services income

If you are not in business

If you're providing services through a digital platform and you're not in business, you need to include this income in your individual tax return. You can do this online through myTax or a registered tax agent.

If you:

- received a payment summary as an employee detailing your pay and any tax withheld, report this income under **salary and wages** and any deductions directly related to this income as **work related expenses**
- earned income for your services through a digital platform not as an employee, report this income as **Other income** and any deductions directly related to this income as **Other deductions** – make sure to

include the platform name as the description for both income and deductions.

Next step

- Lodging your tax return

See also

- 24 Other income
- D15 Other deductions

Claiming deductions

To claim a deduction related to the income you earn:

- you must have spent the money yourself and have not been reimbursed
- it must relate directly to the income earned from providing your services
- you must have records to prove it.

You may have expenses that relate to both private and income-producing use. If this is the case, you can only claim the portion related to the income-producing use. You may be able to claim service fees or commission charged by a digital platform as a 100% deduction.

Some common examples of expenses from offering your services include:

- travel expenses
- repairs, maintenance and replacement of assets
- home office expenses.

If you're registered for GST and claimed GST credits on your expenses, you can only claim the remaining amount (expense minus the GST) as a tax deduction.

If your income is PSI, the deductions you can claim may be limited.

See also

- Deductions you can claim – for individuals
- Deductions – for business

Offsetting business losses

When carrying on a business, there are restrictions on your ability to use a yearly loss from your business against other income. If you have deductions greater than your income for a tax year, you will need to consider the non-commercial loss rules.

See also

- Losses
- Non-commercial losses

59298

Superannuation and the sharing economy

Ways to contribute to your own super from income you earn from the sharing economy.

12 June 2019

Superannuation (super) is money set aside during your working life for when you retire.

Where you are earning income through the sharing economy, there won't always be someone paying super on your behalf.

If you're not entitled to have super paid on your behalf, you can boost your super by making your own contributions.

Providing services

If you're providing services, whether super is paid on your behalf into a super fund will depend on your working arrangements with the platform. If you're:

- an employee, you're typically entitled to compulsory super contributions from your employer
- a contractor, you may still be entitled to super if you are paid wholly or principally for your labour.

See also:

- Getting your super started

59299

Preparing for a potential tax bill

Income you earn from the sharing economy may not have tax withheld, which means you might end up with a tax bill.

12 June 2019

Income you earn from the sharing economy may not have tax withheld, which means you may have a tax bill when you lodge your return.

You can choose to make a payment, regularly or once off, to go towards a potential tax bill. To make it easier for you to manage your tax, you can make payments at any time and as often as you like.

Any payments made towards your tax before they are due will remain on your account unless you, or your agent, request a refund.

If you have an existing tax debt, prepayments may be used to offset against that debt.

Next step:

- Making prepayments

Pay as you go instalments

If you're earning (or expecting to earn) more than $4,000 a year from renting out a room, whole house or unit, you can consider entering the pay as you go (PAYG) instalment system voluntarily.

This will stop you getting a large tax bill at the end of the year, and you can pay amounts every three months (quarterly) to help cover any income tax you may need to pay on your sharing economy income.

If you pay too much during the year, you will get the money back when you do your tax return.

If you don't pay enough during the year, you'll pay the difference when you do your tax return – but it will be less than if you didn't pay anything at all.

Next step:

- How to start paying instalments

53231

Data matching

How and why we request data from various platforms in the sharing economy.

12 June 2019

We request data from digital platforms operating in Australia as a way to identify people who earn income through the sharing economy. We do this to help people who earn sharing economy income understand and meet their tax obligations, including their registration, lodgment, reporting and payment obligations.

We currently collect data from:

- ride-sourcing platforms
- sharing economy accommodation platforms.

See also:

- How we use data matching
- Ride-sourcing data matching program protocol
- Sharing economy accommodation data matching program protocol

59300

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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