Introduction to ride

Fast facts

What is ride-sourcing?

- Ride-sourcing is an ongoing arrangement where you make a car available for public hire to passengers.
- A passenger uses a third-party website or app to request a ride.
- You use the car to transport the passenger for payment (a fare).

Registering for GST

- If you are providing ride-sourcing you must register for GST regardless of how much you earn.
- You can register for GST in the following ways:
  - Online: you can register for GST through ATO online services for individuals and sole traders or ATO online services for business.
  - Phone: call the ATO on 13 28 66 – 8:00 am to 6:00 pm, Monday to Friday.
  - Form: order a form online from the ATO Publication Ordering Service site. The site operates similarly to online shopping sites, except the form is free! The form is called Add a new business account (NAT 2954). Enter the form name or NAT number (2954) into the search box.

- Your GST registration needs to start from the date you started ride-sourcing. Once registered for GST, provide your ABN to your ride-sourcing platform as they may issue tax invoices for you.

Ride-sourcing income, expenses and GST overview

- Your total income may include:
  - interest you receive from banks
  - some payments you receive from Services Australia
  - dividends you were paid from holding shares
  - other investment income
  - foreign income – including overseas rental income and internet sales
  - other business income – for example a second business.
- When you start paying for expenses that are related to your ride-sourcing business, you can claim tax deductions on some of these. To claim car expenses, you can use the cents per kilometre method or the logbook method.
- Your income tax reports your total income and your deductions. You do not record GST in your tax return.
- As a ride-sourcing business you will collect GST on passenger fares and pay GST on business purchases. At the end of a reporting period you may either have to pay GST to the ATO or the ATO will pay you GST credits.

Pay as you go (PAYG) instalments

- Voluntarily enrolling in the pay as you go (PAYG) instalments system can reduce cash flow issues.

- It spreads out your tax contributions, making them more manageable.
- To enrol, use ATO online services for individuals and sole traders or ATO online services for business.

The ATO App

- Download the ATO App from Google Play or the Apple App Store.
- Use the 'myDeductions' tool in the ATO app to record your ride-sourcing expenses, logbook your vehicle trips, and to keep photos of your invoices and receipts.
- Your ATO App ride-sourcing data can be exported to a spreadsheet to help you calculate your GST obligations.

GST reporting

- GST must be calculated on the full fare, not the net amount you received after deducting any fees or commissions.
- Report your GST collected and paid monthly or quarterly in your business activity statement (BAS).
- Your GST obligation is calculated by deducting GST paid from GST collected.

Deductions

- If you use your car for both personal and work-related use you will apportion your car expenses and claim only the portion for work-related use.
- There are two different ways you can claim car expenses:
  - the cents per kilometre method
  - the logbook method.

Record keeping

- Keep records regularly to make reporting at the end of the year easier and quicker.
- Keep the following records:
  - statements showing income from ride-sourcing
  - receipts of any expenses you want to claim deductions for
  - a logbook to track your trips (only claim the business portion).

More information

- https://www.ato.gov.au/General/The-sharing-economy-and-tax/Ride-sourcing/
- 13 18 66 (8:00 am to 6:00 pm Monday to Friday)
- https://tv.ato.gov.au/ (search for 'ride-sourcing')

Last modified: 28 Jan 2026