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**From:** Section 22  
**Sent:** Friday, 31 July 2015 9:17 AM  
**To:** Section 22  
**Cc:**  
**Subject:** Check QTB on sharing economy (Uber/Section 22 [CLASSIFIED])  
**Attachments:** QB15-000013.docx

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Hi

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As discussed, it would be great if you could check the attached QTB on the sharing economy (Uber/ to make sure the previous input from your team is still okay.

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Indirect Taxes and Not for Profit Unit  
Small Business Tax Division  
The Treasury, Langton Crescent, Parkes ACT 2600

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## UBER AND TAX ARRANGEMENTS

### TOP LINES:

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- Section 22 • Businesses operating in the 'sharing economy' such as Uber and should be subject to the same tax laws as other businesses in their industries.
- In relation to Uber, the ATO have confirmed that individuals who provide ride-sourcing services are providing 'taxi travel' under the GST law and need to charge GST.
- From 1 August 2015, drivers providing 'taxi travel' must register and charge GST, lodge business activity statements and report the income in their tax returns, regardless of their turnover.

### KEY FACTS AND FIGURES:

- Uber is a non-resident operating outside Australia. The company uses a smartphone application to receive ride requests and sends these ride requests to their drivers. Customers use the smartphone application to request rides and track their reserved vehicle's location. Uber charges fees to the drivers for facilitating the transactions.

– The service is available in 58 countries and more than 300 cities worldwide.

*Source: Where is Uber available [www.uber.com](http://www.uber.com) Retrieved 30 July 2015.*

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: "Sharing economy" platform operators such as Uber<sup>22</sup> may not be residents of Australia and therefore not subject to Australian tax on their business income. Section 22

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Section 22 provided by Uber and 22 As such, depending on the business model used, services may not be subject to GST.

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*Taxation of Uber drivers and*

- In general, business income earned by Australian residents is subject to Australian income tax. Income earned by Australian resident Uber drivers or Section 22 s likely to be subject to Australian income tax, if they are considered to be operating a business.
- Australian resident businesses must register and charge GST whenever their turnover is above \$75,000 per annum. However, while 'taxi' businesses must register and charge GST, they are not subject to the turnover threshold.
- The ATO have confirmed that people who provide ride-sourcing services, such as Uber drivers, are providing 'taxi travel' under the GST law.
- This means, that from 1 August 2015, affected drivers must now register for GST, charge GST on the full fare, lodge business activity statements and report the income in their tax returns, regardless of their turnover.

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