

The Essential NZ Rideshare Tax Guide For (Uber/Taxi and Delivery Drivers) 2025-2026



Table of Contents

<u>Introduction</u>	<u>3</u>
<u>Understanding Your Tax Obligations</u>	<u>4</u>
<u>GST: The "Need to Know" Rules</u>	<u>5</u>
<u>Slaying the Tax Bill: What Can You Claim?</u>	<u>6</u>
<u>Mileage Tracking: Your Biggest Tax Saver</u>	<u>7</u>
<u>Hidden Costs: ACC and KiwiSaver</u>	<u>8</u>
<u>Summary Checklist for Success</u>	<u>9</u>
<u>Need Help Sorting This Out?</u>	<u>10</u>



Introduction: You Are a Business Owner

Welcome to the gig economy! Whether you drive for Uber, Zoomy, or deliver for Uber Eats, it is important to change your mindset. You are not an employee; you are a self-employed business owner.

This means you don't just get paid a salary—you generate "profit." Your tax is calculated on your profit, which is your total income minus your allowable business expenses.



Understanding Your Tax Obligations

When do I pay? The New Zealand tax year runs from **1 April to 31 March**.

- You must file an **IR3 tax return** after the tax year ends (after March 31st).
- **Deadline:** The standard deadline is 7 July. However, if you sign up with a registered Tax Agent, you get an extension until 31 March of the following year.

How much will I pay? Your tax rate depends on how much you earn. New Zealand uses a progressive tax system:

Sole Income: If driving is your only job and you make \$15,000 profit, you only pay 10.5% tax. **Secondary Income:** If you have a main job (e.g., salary of \$55k) and drive on the side (e.g., \$5k profit), your driving profit is taxed at your top marginal rate (likely 30% or 33%), because your main job has already used up the lower tax brackets.

Warning: *The IRD is Watching Uber now shares your earnings data directly with the Inland Revenue Department (IRD). The days of flying under the radar are over. The IRD is actively checking and auditing drivers to ensure income is declared correctly*



GST: The "Need to Know" Rules



The \$60,000* Threshold: You do not strictly need to register for GST unless your turnover (total sales) exceeds **\$60,000*** in a **12-month period**.

- **Important:** This \$60k limit does not include wages from a separate 9-to-5 job; it only counts your self-employed income.
- **For Uber Drivers:** Your turnover is calculated based on the gross customer fare, not just the payout you see in your bank account.
- **For Delivery Drivers:** Your turnover is generally based on the amount you receive.

New Platform Rules Recent rule changes in the "Platform Economy" mean you must correctly advise Uber (or your platform) of your GST status. This affects the commission rates and tax credits applied to your account.



Our Slaying the Tax Bill: What Can You Claim?

The best way to pay less tax is to legally claim all valid business expenses. If you spend money to earn income, it is generally claimable.

Top Claimable Expenses:

- **Vehicle Costs:** Fuel, repairs, insurance, registration, and cleaning.
- **Technology:** Phone bills (portion used for work) and accessories.
- **Home Office:** If you store your vehicle in a secure garage or do admin work at home, you may be able to claim a portion of your rent/mortgage and utilities.
- **Service Fees:** Uber service fees are a deductible expense (especially important for UberX drivers to note, as income summaries show gross fares).

The Golden Rule: Keep Records You must keep copies of all receipts and invoices. We highly recommend opening a separate bank account for your driving income and expenses. This keeps your business finances clean and separate from your personal grocery buying!.



Mileage Tracking: Your Biggest Tax Saver



Tracking the kilometers you drive for business is the number one way to reduce your tax bill.

Do not rely on the Uber summary: The mileage figures Uber sends you are often too low. They track the trip with the passenger, but they often miss the distance you drive to pick up the passenger or reposition to a busier area.

How to track:

- Use a digital app like **Logmate**.
- Use a manual logbook or spreadsheet (often okay for delivery drivers).



Hidden Costs: ACC and KiwiSaver

ACC Levies Many drivers forget this. As a self-employed person, you must pay ACC levies separately from your general tax.

- **The Cost:** This can range from a few hundred dollars to over \$1,000* depending on if you are full-time or part-time.
- **Tip:** If you work less than 30 hours a week, ensure your ACC account status is set to "Part Time" to potentially lower your levies.

KiwiSaver Your platform (Uber) does not pay KiwiSaver for you. If you want the government contribution (up to \$521.43*/year), you must manually contribute at least \$1,042.86* into your fund before 30th June each year.



Summary Checklist for Success

- 1. Structure:** Operate as a "Sole Trader" (Individual). Avoiding Limited Companies usually saves you money on setup and accounting fees.
- 2. Save:** Put aside 10–15% of your gross income into a separate savings account every week to cover your end-of-year tax bill.
- 3. Track:** Download a mileage tracker app today.
- 4. Consult:** Consider using a Tax Agent. They can access your details directly with the IRD, extend your filing deadline, and ensure you don't overpay.



Need Help Sorting This Out?

Taxes can be stressful, but they don't have to be. If you want to ensure you are compliant with the latest IRD changes and claiming every dollar you are entitled to, let's chat.



+64 0210 800 8095



info@elitetaxation.co.nz



www.elitetaxation.com