

Essential Tax Information for Gig Workers



Some examples of gig workers include independent consultants, coaches, online graphic designers, freelance delivery riders, private hire car drivers, home tutors, baby sitters and home bakers.

Employee or Self-Employed?

- Works under a **contract of service** and **under the control of an employer** as to how, when and where to work
 - Usually not in the position to realise a business profit or loss
- Works under a **contract for service** to carry out an assignment or project as an independent contractor for a fee
 - Do not have anyone overseeing you and **free to carry out the work on your own**

Gig workers are generally self-employed persons, and the gig income earned is taxable as gains or profits from a trade, business, profession or vocation.

Reporting Gig Income



Income earned (including benefits-in-kind) from gig work is taxable even if...

- it was carried out on a part-time/casual basis, or intermittently; or
- used to supplement your other sources of income.

Generally, hobby or pastime (e.g. baking for family and friends) is not considered a business and income earned from such activities is not taxable. However, it will be taxable if the activities are performed repeatedly or habitually in exchange for monetary or non-monetary benefits.

Declare the income earned using a 2-Line Statement if your revenue is \$200,000 or less, or a 4-Line Statement if your revenue is more than \$200,000, under item 2 "Trade, Business, Profession or Vocation" of your Individual Income Tax Return (Form B/B1).

Tax Filing Obligation



You must report your gig income if...

- You receive a Form B/B1 or filing notification from IRAS; or
- Your annual net trade income in the preceding year is more than \$6,000; or
- Your total annual income (including employment income and gross rental income) in the preceding year is more than \$22,000.

Check if you need to file a tax return using the **Filing Checker**.

File your Income Tax Return at myTax Portal (mytax.iras.gov.sg)

Filing your taxes for the first time and did not receive a notification from IRAS to file? Email IRAS to activate your myTax Portal account.

For more details, please refer to the IRAS website on **'How to file tax'**.

Claiming Business Expenses



You may claim business expenses that are wholly and exclusively incurred in the production of your gig income and are not prohibited under the law (e.g. private car expenses are disallowable even if the private car is used for business purposes). Expenses that are personal (e.g. travelling expenses for personal trips or food and entertainment expenses for yourself or family members) or capital in nature (e.g. purchase of fixed assets) are not deductible.

Commission agents

with annual gross commission (received from all commission sources) not exceeding \$50,000



can claim 25% of the gross commission income earned as deductible business expenses

Private hire car/taxi drivers



can claim 60% of their gross driving income as deductible business expenses

For more details, please refer to the IRAS website on **'Business expenses and deductions'** and **'Capital Allowances'**.

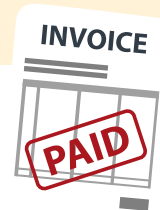
Proper Record Keeping



Keep proper records for 5 years so that your income earned and business expenses claimed can be readily determined. IRAS may request for these records with supporting documents for verification.

If your annual revenue is \$200,000 or less for the past 2 financial years and your business qualifies for Simplified Record Keeping, you will only need to keep business records (e.g. registers, listings) and not source documents (e.g. receipts, invoices).

For more details on record keeping, please refer to the IRAS website on **'Keeping proper records and accounts'**.



More information available at go.gov.sg/iras-gigworkers



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This information guide aims to provide a better general understanding of taxpayer's tax obligations and is not intended to comprehensively address all possible tax issues that may arise.

This information is correct as at 22 Feb 2023. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary our position accordingly.