

Essential Tax Information for Taxi Drivers:

Reporting your income

Income is assessed on a preceding year basis. Your income earned last year should be declared in this year's income tax return.

In the income tax return, please report your income from:

- (1) taxi-driving, **and**
- (2) all other sources

4-line statement or 2-line statement

- You should report your revenue from taxi-driving using the 4-line statement when your revenue is more than \$200,000 (more than \$100,000 for Year of Assessment 2020 and before) as follows:
 - (1) **Revenue:** Gross passenger fees and any rental received from relief driver(s)
 - (2) **Gross Profit/Loss:** Same as Revenue
 - (3) **Allowable Business Expenses:** Business expenses incurred to earn the driving income
 - (4) **Adjusted Profit/Loss:** Revenue *less* Allowable Business Expenses
- You should report your revenue from taxi-driving using the 2-line statement i.e. **Revenue** and **Adjusted Profit/Loss** when your revenue is \$200,000 or less (\$100,000 or less for Year of Assessment 2020 and before).

Two Options to Claim Tax Deduction on Your Expenses

a. Expenses based on 60% of Driving income

To make it easy for you to file your tax return, you can choose to claim tax deduction for expenses based on 60% of your driving income starting from Year of Assessment 2019 (i.e. your income earned in 2018). This amount is deemed to be the sum of all expenses incurred (including taxi rental and diesel) while earning your driving income.

For example, if you have received a revenue of \$200,100 (i.e. more than \$200,000) in the year 2021, your 4-line statement is as follows:

Revenue	\$200,100
Gross Profit/Loss	\$200,100
Less: Allowable Business Expenses (60% of \$200,100)	\$120,060
Adjusted Profit/Loss	\$ 80,040

If you have received a revenue of \$60,000 (i.e. \$200,000 or less) in the year 2021, your 2-line statement is as follows:

Revenue	\$60,000
Adjusted Profit/Loss	\$24,000*

*60,000 – (60% x \$60,000)

For more information, please refer to [car-related expenses incurred by the self-employed private hire car drivers](#).

b. Actual Expenses

Alternatively, you may opt to claim tax deduction based on your actual expenses. You **can** deduct the following business expenses from your revenue:

√ Vehicle Rental Fee	√ Vehicle Washing Expenses
√ Driving Licence Fee	√ Diesel Expenses
√ Vocational Licence Fee	√ ERP Expenses (Paid by You)
√ Parking Fees	

You **cannot** claim tax deduction on your private expenses such as:

- × Food, household and medical expenses for yourself and your family members
- × Entertainment expenses for yourself and your family members
- × Traffic fines
- × CPF contributions

If you choose to claim actual expenses, you are required to keep proper daily records of your expenses incurred in earning the driving income. You will need to retain all supporting documents e.g. receipts, annual statements issued by the booking services operators for a period of 5 years from the YA to which the claims relate. Subject to the verification of the expenses records, IRAS may make adjustments on the amount of expenses that you have claimed.

For more information, please refer to [keeping proper records and accounts](#).