The Tax Guide Every Rideshare Driver in NZ Needs

Most Rideshare Drivers Overpay Tax Every Year — Find Out What You're Missing

RIDESHARE DRIVER TAX DEDUCTIONS GUIDE

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This guide provides general tax information for New Zealand rideshare and delivery drivers. It is not a substitute for personalised professional tax advice. Tax rules may change — always verify with IRD or a registered tax agent.

Introduction

As a rideshare or delivery driver, you are considered self-employed (a sole trader) in New Zealand. This means you are responsible for filing your own tax return each year and declaring your income. But it also means you can claim a wide range of work-related expenses — which reduces your taxable income and the amount of tax you pay.

Key Point	What it means for you
Self-employed status	You file an IR3 individual tax return each year.
GST registration	Required if your earnings exceed $60,000 in 12 months.
Record keeping	Keep receipts, invoices, and a logbook for at least 7 years.
Tax year	1 April to 31 March each year.
Deductible expenses	Costs incurred to earn your rideshare income are claimable.

✓ **Important: Business Use Only**

You can only claim the portion of an expense that relates to your rideshare work. If you use your car for both personal and business trips, you must only claim the business percentage. The easiest way to track this is by keeping a vehicle logbook.

Section 1: Vehicle Expenses

Your vehicle is your most important business asset as a rideshare driver. The IRD allows you to claim vehicle costs in one of two ways — the logbook method or the kilometre rate method.

Method 1 — Kilometre Rate (Simplest Option)

IRD sets a standard rate per kilometre driven for business. For the 2024–25 tax year, the Tier 1 rate is $0.86 per km for the first 14,000 km, and the Tier 2 rate is $0.21 per km for any kilometres beyond 14,000. You simply multiply your business kilometres by the applicable rate and add both tiers together to get your total deduction. No need to track every fuel receipt separately.

✓ **Example**

You drove 18,000 km for rideshare work during the year. The first 14,000 km is calculated at the Tier 1 rate of $0.86/km, giving you $12,040. The remaining 4,000 km is calculated at the Tier 2 rate of $0.21/km, giving you $840. Your total vehicle deduction for the year is $12,880. You must keep a logbook or records to prove these were business kilometres.

Method 2 — Actual Cost Method (Logbook Method)

If you track all your actual vehicle costs and keep a logbook for at least 90 days, you can claim the business percentage of your total vehicle running costs. This often results in a larger deduction if you have a newer or more expensive vehicle.

Claimable vehicle costs under this method include:

- Fuel and oil
- Warrant of Fitness (WoF)
- Registration and road user charges (RUC)
- Repairs and servicing
- Car insurance (business portion)
- Depreciation on the vehicle itself

Note on loan interest: Loan interest on a vehicle purchased on finance can also be claimed under the kilometre rate method as a separate deduction, in addition to the kilometre rate. This applies to the business-use portion of interest only.

✓ Example — Actual Cost Method

Your total annual vehicle costs are $9,000. Your logbook shows 70% of kilometres were for rideshare work. Your claimable deduction is 70% × $9,000 = $6,300.

Which method should you choose? If you drive a lot for rideshare work, the kilometre rate method is the simplest. If you have high vehicle costs (e.g. a newer car, high insurance, or finance repayments), the actual cost method may give you a bigger deduction. A tax professional at Elite Taxation can help you decide.

Section 2: Fuel Costs

Fuel is one of the most common and significant expenses for rideshare and delivery drivers.

Claiming Fuel Costs

If you are using the **kilometre rate method**, fuel is already included in your per-kilometre rate — you do not need to track fuel separately.

If you are using the **actual cost method**, you can claim the business portion of all fuel costs. Keep every fuel receipt (or use a fuel card) and multiply your total fuel spend by your business-use percentage.
Many drivers find it helpful to use a fuel card or a separate bank account for all rideshare-related fuel purchases. This makes it much easier to tally up your costs at tax time.

✓ **Record Keeping Tip**

Save fuel receipts in a folder (physical or digital). Apps like Hubdoc or Dext can photograph and store receipts automatically. You need records for at least 7 years.

Section 3: Vehicle Maintenance & Repairs

Keeping your vehicle road worthy is a legitimate business expense.

Maintenance, Servicing & WoF

All costs to maintain your vehicle in a safe and roadworthy condition are claimable — at your business-use percentage.

This includes:

- Regular servicing (oil changes, filter replacements)
- Tyre replacements and puncture repairs
- Brake pad and brake fluid replacements
- Windscreen repairs or replacement
- Warrant of Fitness (WoF) fees
- Battery replacement
- Any other mechanical repair needed to keep the vehicle running

✓ **Example**

You spend $800 on a full service and new tyres. Your vehicle is used 65% for rideshare work. Your claimable deduction is 65% × $800 = $520.

Note on major repairs: If a repair is significant and extends the life of the vehicle (for example, an engine rebuild), IRD may treat it as a capital expense rather than a running cost. In that case, it would be claimed through depreciation over several years. Contact Elite Taxation if you are unsure how to treat a large repair.

Vehicle Insurance

The business portion of your vehicle insurance premium is claimable. This includes your comprehensive car insurance and, if applicable, any commercial vehicle policy you have taken out specifically for rideshare driving.

Some standard personal insurance policies do not cover commercial use — it is worth checking with your insurer and considering a policy that covers rideshare activity.

✓ **Example**

Your annual car insurance is $1,400. You use the car 60% for rideshare. Your claimable deduction is 60% × $1,400 = $840.

Section 4: Mobile Phone & Data Costs

Your smartphone is essential to your rideshare business—you use it to receive jobs, navigate, communicate with passengers, and manage your account.

Mobile Phone & Phone Plan

You can claim the business portion of your mobile phone and data plan costs. If you use your phone exclusively for rideshare work while on shift, you may be able to claim a high business-use percentage.

To calculate your business-use percentage, estimate how much of your total phone usage relates to rideshare work. For example, if you are driving 5 hours per day and use your phone almost entirely for work during those hours, your business use may be around 50%.

Claimable phone-related expenses include:

- Monthly phone plan or prepaid top-ups (business portion)
- Mobile data charges
- Cost of a phone mount or holder used in the vehicle
- Phone case or screen protector used for your work phone
- Replacement of a phone used primarily for rideshare work

Internet Cost

If you use your home internet to manage your rideshare business — for example, logging into the driver app, checking earnings, managing your account, or doing bookkeeping — you can claim the business portion of your home internet costs.

As with the phone, you need to estimate the percentage of your internet use that relates to your rideshare business. Most drivers claim a modest portion (typically 10–25%) unless they work from home significantly.

✓ Example

Your monthly phone bill is $60 ($720/year). You estimate 50% of your phone use is for work. Your annual deduction is 50% × $720 = $360.

Section 5: Car Cleaning & Presentation Costs

Keeping your vehicle clean is a requirement for rideshare platforms—and the cost is claimable.

Car Washing & Cleaning

Rideshare platforms like Uber require drivers to maintain a clean vehicle. As a result, car washing and maintenance expenses may be claimable.

cleaning costs are a legitimate business expense.

You can claim:

- Automatic car wash fees
- Hand wash or detailing services
- Cleaning products (interior wipes, air fresheners, vacuum supplies)
- Upholstery cleaning after passenger incidents

Section 6: Parking Fees & Tolls

Parking fees and road tolls incurred while working are claimable business expenses.

Parking Fees

Any parking fees you pay while waiting for passengers, picking up or dropping off, or while attending to rideshare-related tasks are claimable.

This includes:

- Short-stay parking at airports, hospitals, or city centres
- Parking meter fees while waiting on a job
- Parking fees at a rideshare waiting area

Note: Parking fines and infringement fees are NOT deductible. Only legitimate parking charges are claimable.

Road Tolls

Keep a record of any tolls paid while on a job, or review your NZ Transport Agency toll account statement and identify the business-related journeys.

✓Tip

Link your NZ NZTA toll account to a card used only for business. This makes it easy to identify and claim all work-related tolls at year end.

Section 7: Accounting & Tax Agent Fees

The cost of getting professional help with your tax return is itself a tax deduction.

Accounting & Tax Filing Fees

Any fees you pay to a tax agent or accountant to prepare and file your tax return are 100% deductible as a business expense. This includes:

- Tax return preparation fees
- GST return preparation and filing fees
- Tax advice or consultation fees
- Bookkeeping fees
- Cost of accounting software subscriptions used for your business

✓Good News

If you pay Elite Taxation to handle your tax return, that fee is fully deductible from your taxable income — so the cost of getting expert help effectively reduces itself.

Section 8: Other Claimable Business Expenses

Beyond vehicle costs, there are a number of additional expenses that rideshare and delivery drivers can claim. Here is a summary of common ones.

Expense	Details	Claimable?
Dashcam	Purchase cost of a dashcam used for safety and evidence in your vehicle	Yes — business portion or 100% if exclusively for rideshare
Phone charger / car charger	Charger kept in the vehicle for work phone	Yes — business use portion
GPS device	Standalone GPS unit used for navigation while working	Yes — if used exclusively for work
Passenger amenities	Water bottles, mints, phone chargers provided to passengers	Yes — fully deductible as a business cost
Protective equipment	Masks, hand sanitiser, seat protectors (e.g. during COVID protocols)	Yes — if required for rideshare work
Bank fees	General bank account fees are a personal expense and not directly related to earning rideshare income	No — not claimable
Subscriptions & apps	Apps used to track mileage, manage bookkeeping, or run your business	Yes — business portion
Depreciation	Decline in value of business assets (phone, vehicle, dashcam)	Yes — calculated using IRD depreciation rates
Training & courses	Any course that improves skills directly related to your rideshare work	Yes — if directly related to earning rideshare income

Section 9: GST — What Rideshare Drivers Need to Know

If your rideshare and delivery earnings exceed $60,000 in a 12-month period, you are required to register for GST with the IRD.

Once registered for GST, you must:

- File regular GST returns (monthly, two-monthly, or six-monthly)
- Charge GST on the services you provide (platforms like Uber handle this on your behalf)

- Claim back GST on your business expenses (known as input tax credits)
- Keep tax invoices for all purchases where you claim GST back

Even if you are below the $60,000 threshold, you can voluntarily register for GST. This allows you to claim back the GST portion of your business expenses, which may be beneficial if you have high costs. Speak to Elite Taxation to assess whether voluntary GST registration makes sense for your situation.

Section 10: Record Keeping — What You Must Keep

Good records are the foundation of a successful tax claim. The IRD requires you to keep records for a minimum of 7 years

Record Type	Why You Need It
Vehicle logbook	Proves the business/private split of your vehicle use
Fuel receipts	Evidence of fuel costs under the actual cost method
Repair & service invoices	Supports maintenance expense claims
Insurance documents	Confirms premiums paid for business-use calculation
Phone bills	Supports mobile phone and data expense claims
Parking receipts	Evidence of work-related parking costs
Toll account statements	Identifies business road toll charges
Bank statements	Overall record of income received and expenses paid
Uber/platform earnings statements	Income record from the rideshare platform
Accounting & tax invoices	Evidence of professional fees paid

✓ Digital Record Keeping Tip

Use a free app like Google Drive, Dropbox, or a dedicated receipt app to photograph and store all your receipts as you go. At tax time, everything is already organised and easy to send to your accountant. You do not need to keep paper receipts if you have clear digital copies.

Section 11: What You Cannot Claim

It is just as important to know what is not deductible, so you do not make claims that could trigger an IRD audit or penalty

The following are generally NOT claimable:

- Personal travel — trips that are not related to rideshare work (e.g. driving to the supermarket)
- Parking or speeding fines and infringement notices
- Clothing and personal grooming (unless a required uniform with a logo)
- Meals and food (unless you are travelling away from home overnight for work — very rare for rideshare drivers)
- Gym memberships or health costs (unless directly required for your work)
- Capital costs of purchasing a vehicle (claim via depreciation instead, not as a direct expense)
- Mortgage or rent on your home (unless you have a genuine home office used exclusively for business rare for ridesharedrivers)

If you are ever unsure whether an expense is claimable, it is always best to ask a tax professional before claiming it. Over-claiming can result in penalties from IRD.

Need Help With Your Tax Return?

Filing a tax return as a self-employed rideshare driver involves more steps than a standard employee return. Getting it right ensures you claim everything you are entitled to — and avoid costly mistakes.

Why use a tax agent?

A registered tax agent like Elite Taxation knows exactly what rideshare drivers can and cannot claim. We make sure your return is correct, complete, and filed on time — so you can focus on driving.

What Elite Taxation does for rideshare drivers

We handle your entire IR3 tax return including income from Uber, Uber Eats, and other platforms. We calculate your vehicle deductions using the best method for your situation, prepare any GST returns if required, and advise you on record keeping so you are ready for next year.

Is it worth the cost?

In most cases, yes. Many drivers find that the deductions we identify far outweigh our fees — and remember, our accounting fee is itself fully tax deductible.

When should you contact us?

Ideally at the start of the tax year so we can set you up with good record-keeping habits. But we are happy to help at any time — even if you have not filed for several years.

Get in Touch With Elite Taxation

Our team of experienced tax professionals specialises in rideshare driver and rental property tax returns. We make the process simple, affordable, and stress-free.

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Services for Rideshare Drivers

IR3 Individual Tax Returns We fileyour complete taxreturn including all rideshare income and deductions.	**GST Returns** Weprepare and file your GST returns if you are registered or need to register.	**Vehicle Deduction Calculation** We determine the best method (km rate vs actual cost) to maximise your vehicle claim.
Tax Advice We provide clear, practical advice on what you can claim and how to keep better records.	**Overdue Returns** We help you catch up on unfiled returns from previous years with minimal penalties.	**Provisional Tax** Wecalculate and manage your provisional tax so you are never caught out with a large tax bill.

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