



Gig economy and your taxes: things to know

What do driving for a ride-sharing company, renting out a room through a rental service, and working for a company that outsources errands and tasks have in common? These are all examples of the gig economy. Just like any other office job, money earned through the gig economy is taxable.

As a gig economy worker, it's your responsibility to keep track of the money you make and report it on your tax return.

This means if you receive income from a gig economy activity, it's generally taxable even if you don't receive a Form 1099-MISC, Form 1099-K, W-2 or other income statement. On the other hand, your business expenses may be deductible, depending on tax limits and rules.

Pay your taxes as you go

If you earn a paycheck as a gig economy employee, your employer usually withholds tax from your pay to help cover taxes you owe. If you're a gig economy worker who's not considered an employee, two ways you can help cover your taxes are:

- Fill out and submit a new Form W-4 for other jobs where you work as an employee.
- Make quarterly [estimated tax payments](#) to help pay your taxes throughout the year, including self-employment tax.

Keep good records

The IRS requires you to keep adequate proof of income and expenses. Some gig companies will track some of this information for you and send you a W-2, 1099-MISC or a 1099-K at the end of the year. Even if they don't, it's important that you keep track of all your income and expenses to report on your tax return.

Check your tax payments

A Paycheck Checkup using the [IRS Withholding Estimator](#) can help you see if you should make additional tax payments to avoid an unexpected tax bill or underpayment penalty when you file your tax return. This is especially important if you:

- Have multiple jobs - especially if you don't have each employer withhold taxes.
- Expect to pay self-employment tax.

