

Sample article for organizations to use to reach customers (488 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers.

Basic tax tips help you navigate the sharing economy

If you go online to rent a spare bedroom, provide car rides, or to connect and provide a number of other goods or services, you're involved in what is sometimes called the sharing economy.

Because the sharing economy has changed how people commute, travel, rent vacation accommodations and perform many other activities, the IRS has a few [tips](#) about taxes and this emerging area:

- **Taxes** — Sharing economy activity is generally taxable. It does not matter whether it's only part time or a sideline business, if payments are in cash or if an information return like a Form 1099 or Form W2 is issued. The activity is taxable.
- **Deductions** — There are some simplified options available for deducting many business expenses for those who qualify. For example, using your car for business often qualifies to claim the standard mileage rate, which was 54 cents per mile for 2016.
- **Rentals** — If you rent out your home, apartment or other dwelling but also live in it during the year, special rules generally apply. For more about these rules, see [Publication 527](#), Residential Rental Property (Including Rental of Vacation Homes). You can use the Interactive Tax Assistant Tool, [Is My Residential Rental Income Taxable and/or Are My Expenses Deductible?](#) to determine if your residential rental income is taxable.
- **Estimated Payments** — The U.S. tax system is pay-as-you-go. This means that if you're involved in the sharing economy, you often need to make estimated tax payments during the year to cover your tax obligation. These payments are due on **April 15, June 15, September 15** and **January 15**. Use [Form 1040-ES](#) to figure these payments.
- **Payment Options** — The fastest and easiest way to make estimated tax payments is through IRS [Direct Pay](#) or use the Treasury Department's Electronic Federal Tax Payment System.

Withholding — If you're involved in the sharing economy and are an employee at another job, you can often avoid making estimated tax payments by having more tax withheld from your paycheck. File [Form W-4](#) with your employer to request

additional withholding. The [Withholding Calculator](#) on IRS.gov can help you determine how much more to have withheld.

For more information about the sharing economy, visit the IRS [Sharing Economy Tax Center](#).

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NOTE TO EDITOR: Below are links to help taxpayers find the information they need.

IRS YouTube

- Your Taxes in the Sharing Economy – [English](#) | [ASL](#)

On Twitter? Send this Tweet:

- Do you participate in the sharing economy? Learn what tax issues may affect you, visit <https://go.usa.gov/xXGH5>
- #IRSTaxTip: #IRS has a #SharingEconomy #Tax Center to help you meet your tax obligations <https://go.usa.gov/xXATP>
- Use an app to rent out a room, give car rides or other services? See #IRSTaxTip on #SharingEconomy <https://go.usa.gov/xXATP>