

Gig Economy (Sharing Economy)

The gig economy, also called Sharing Economy or Access Economy, is activity where people earn income providing on-demand work, services or goods. Often, it's through a digital platform like an app or website.

The Gig Economy income is taxable.

You must report income earned from the gig economy on a tax return, even if the income is:

- From part-time, temporary or side work
- Not reported on an information return form—like a Form 1099-K, 1099-MISC, W-2 or other income statement
- Paid in any form, including cash, property, goods, or virtual currency

What is Gig Work?

Gig work is certain activity you do to earn income, often through an app or website (digital platform), like:

- Drive a car for booked rides or deliveries
- Rent out property or part of it
- Run errands or complete tasks
- Sell goods online
- Rent equipment
- Provide creative or professional services
- Provide other temporary, on-demand or freelance work

Note: This list does not include all types of gig work.

You must file a tax return if you have net earnings from self-employment of \$400 or more from gig work, even if it's a side job, part-time or temporary.

You must pay tax on income you earn from gig work. If you do gig work as an employee, your employer should withhold tax from your paycheck. If you do gig work as an independent

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contractor, you may have to pay estimated taxes. Unsure if you are an employee or independent contractor? Ask your employer or check your worker status at irs.gov.

What are Digital Platforms?

Digital platforms are businesses that match workers' services or goods with customers via apps or websites. This includes businesses that provide access to:

- Ridesharing services
- Delivery services
- Crafts and handmade item marketplaces
- On-demand labor and repair services
- Property and space rentals

Note: This list does not include all types of digital platforms.

Understand your tax obligation if you operate a digital platform, marketplace or business in the gig economy. You must correctly classify workers and meet requirements for information reporting and tax withholding, filing, and depositing. You may also want to consider helping your workers meet their tax obligations.

For more information, consult the Gig Economy Tax Center at

<https://www.irs.gov/businesses/gig-economy-tax-center>