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FREE GUIDE · GIG WORK, PLAINLY

The Gig Economy Tax Guide

Driving, delivering, filming, hosting, reselling — if an app pays you, this is the short version of what the CRA expects back.

The visibility already happened. Digital platforms hand the CRA a yearly summary of what they paid their drivers, hosts and sellers, and they name you while doing it. Nobody is coming to argue about whether your gig counts as a real business — the only open question is whether your numbers agree with theirs.

Five questions that decide your gig year — can you answer them today?

1	**Did a platform report you?** Ride, delivery, rental and marketplace apps file seller information with the CRA and usually send you a copy. Getting no copy is not the same as owing nothing — the report still lands in Ottawa.
2	**Are you a business?** Yes, from the first payout, and no forms are needed to become one. That is not a threat. It is the thing that lets you subtract what earning the money cost you.
3	**What did the money cost you?** Fuel, phone, gear, app fees, a slice of your home. Untracked costs are the most expensive part of gig work, because the tax then lands on money you never actually kept.
4	**Do you owe sales tax yet?** Two rules exist, and taxi-type driving follows the harsher one. Page 3 tells you which is yours, before it turns into a back-dated problem.
5	**Where is the tax money sitting?** An app withholds nothing at all. If the tax share is in your everyday chequing account, it is already half spent. Page 3 has the one habit that closes this gap.

This guide explains how the rules work rather than what the numbers are, because amounts and rates get revised — confirm current figures at canada.ca, then run your own case through the free self-employed tax calculator and the mileage allowance calculator at taxfilings.ca/tools.

01 The app files paperwork too, and it names you

Gig money used to feel private. It is not. Platforms report what they pay out, tied to your name and account details, and the CRA lines that report up against your return. Matching is automatic and quick, which is why "they will never notice" is retired advice. Before you file, sign in to every app that paid you and download its annual earnings summary. One folder of those summaries answers most letters before they are written.

> WHAT A MISMATCH LOOKS LIKE
>
> The CRA rarely accuses. It asks. A one-page letter says the income on file is higher than the income you reported, and gives you weeks to explain. Replying with the platform's own summary usually ends the matter there. Ignore the letter and the CRA assesses its number instead of yours, then charges interest on the difference.

02 A business from the first payout, with no forms to fill

What it does mean

You report the gross amount the platform credited you, subtract the cost of earning it, and pay tax on what remains. It travels on your ordinary personal return as one extra statement of business income — not a second filing, not a company.

What it does not mean

No incorporating, no business name, no office. Plenty of gig workers stay self-employed for years. It does mean you carry both halves of CPP on your net earnings, and that is the number which startles first-timers in April.

> SIZE THE CPP SURPRISE NOW
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> An employee splits CPP with an employer. You are both parties, so both sides are yours to pay. Put one real month of payouts through the self-employed tax calculator at taxfilings.ca/tools and write the resulting share on a sticky note. That share, not a guess, is what you hold back from every payout from here on.

03 Your costs, sorted by the gig you actually do

Only the business portion counts, and a modest split you can explain beats a generous one you cannot. Find your line below, then start a note on your phone tonight.

- [ ] Rideshare and delivery drivers: the logbook is the whole game — business kilometres over total kilometres sets your share of fuel, insurance, repairs, lease or loan interest
- [ ] Bike and scooter couriers: the bike itself, tune-ups, lock, lights, phone mount, and the winter kit you would never otherwise buy
- [ ] Creators and streamers: camera, microphone, lighting, editing software, the platform's cut, and the room you shoot in
- [ ] Marketplace resellers: what the item cost you, shipping supplies, listing and payment fees, and trips to the post office
- [ ] Tutors, coaches, pet and house sitters: supplies, travel between clients, background checks and certification renewals
- [ ] Task and handyman apps: tools, materials you supply, disposal fees, and the run to the hardware store
- [ ] Anyone renting out a room or a parking spot: the share of household costs matching that space and the nights it was booked
- [ ] Everyone: the business share of your phone plan, fees on a separate bank account, and the commission an app deducts before paying you

04 Sales tax: two rules, and only one is yours

GST/HST is a separate system from income tax, with its own registration, returns and surprises. For most gig work, whether it applies depends on how much you sell. For ride-hailing and other taxi-type driving it does not: those services are expected to be registered and charging from the very first fare, with no small-supplier grace period. Delivery-only work, creating, tutoring and reselling follow the general rule below. If you do two kinds of gig, sort out which is which this week.

> THE LINE THAT STARTS A COUNTDOWN
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> Outside taxi-class driving, registration becomes mandatory once your taxable sales pass $30,000 measured across four consecutive calendar quarters. The window rolls, so it can trip in any month rather than resetting each January, and crossing it opens a short deadline to register and begin charging. Confirm current figures and timing at canada.ca; the registration checker at taxfilings.ca/tools walks the same test in about a minute.

> REGISTERING EARLY CAN PAY YOU BACK
>
> Once you are registered, you claim back the sales tax buried in your gear, fuel, ads and supplies. Drivers and creators with real equipment spending sometimes finish ahead by registering before they are forced to. It is arithmetic rather than a gamble — do the sum once, then choose.

05 The set-aside: paying tax with money you still have

Every dollar an app sends you arrives untaxed. Feeling flush on payout day and broke in April is not bad luck, it is arithmetic. So do the job your employer used to do for you.

- [ ] Open a second no-fee account and label it TAX. Nothing else is allowed to live in it.
- [ ] Move a fixed share of every payout on the day it lands, ahead of groceries and gas.
- [ ] Use the share the calculator gave you on page 2, then revisit it once a year.
- [ ] Log kilometres weekly, never in April — a rebuilt logbook is the first thing questioned.
- [ ] Watch the $3,000 mark: once your balance owing passes roughly that in a year, the CRA moves you onto quarterly instalments and expects them on time (confirm current thresholds at canada.ca).
- [ ] Never raid the TAX account for a slow month. Borrow from anywhere else first, then pay it back.

06 Myth versus fact

MYTH	FACT
"It was only a few hundred dollars, so it does not count."	There is no floor for reporting income. The registration threshold above decides sales tax registration, not whether earnings belong on your return.
"No slip arrived, so there is nothing to declare."	The duty comes from the income, not from the paperwork. Platform reports reach the CRA whether or not a copy reaches your inbox.
"Claiming car costs invites an audit."	Claiming them with no logbook does. With dates, distances and a purpose per trip, vehicle costs are the most ordinary claim a driver makes.

07 The five-minute self-check

Be honest. How many of these are YES right now?

1. I can download an earnings summary from every app that paid me this year.	YES / NO
2. I know which of my gigs is taxi-class for sales tax and which is not.	YES / NO
3. I log my kilometres, or my gig does not involve a vehicle.	YES / NO
4. A fixed share of every payout leaves for a separate account the day it lands.	YES / NO
5. I know roughly where I stand against the rolling registration test.	YES / NO
6. I keep the platform's fee reports, not only the amount that hit my bank.	YES / NO
7. I know whether instalments will apply to me next year.	YES / NO

6–7 · Green
You are running the gig like a business. Recheck the numbers once a year and carry on.

3–5 · Yellow
Half the habits exist. Fix the set-aside and the logbook first; those two repay the fastest.

0–2 · Red
April is going to hurt. One professional hour now costs less than penalties and interest later.

08 Your first week as a business

Day 1
Download this year's earnings summary from every app. One folder, named for the year.

Day 2–3
Open the TAX account. Move its share of your next payout the day that payout arrives.

Day 4–5
Start the logbook or the gear list, whichever your gig runs on. Write down today's odometer.

Day 6–7
Run one month through the self-employed and mileage calculators at taxfilings.ca/tools, then check the registration test from page 3.

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Editorial policy. Every guide is researched against primary sources — the Income Tax Act, CRA publications and CPA Canada materials — fact-checked by Udit Gupta, and updated when the rules change.

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