

Uber and Grab drivers liable to pay income tax

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Inland Revenue Board says it can check on drivers' earnings through lists provided by the companies and through banks.

KUALA LUMPUR: The Inland Revenue Board (IRB) has confirmed that individuals operating the Uber and Grabcar car-ride services are not exempted from paying tax.

Its CEO Sabin Samitah said the drivers must include information on their earnings in their income tax forms and those who have an annual income of at least RM30,000 each are liable to pay tax.

He warned that the board could check on their incomes easily.

"We can get information on the list of drivers from Uber itself and can get details on the amounts the drivers have been paid," he said at a press conference here.

On Aug 13 last year, the finance ministry said it had not made any decision on imposing tax on Uber and Grabcar drivers, but had instead undertaken a study on how to tax such people.

Second Finance Minister Johari Abdul Ghani had then said the services could amass profits amounting to millions of ringgit through their operations in the country.

"We in the ministry do not want to impose tax on taxi drivers but we will see how we can implement taxation on these services (Uber and Grabcar) as the drivers have to also pay 25% (of their ride earnings) to the companies," he had said.

Sabin today said the IRB had a procedure to determine the actual income of drivers who did not declare their incomes.

He said the board could acquire the income information when people make big purchases, including cars.

"We can also get information from the banks."

Sabin said an individual working part-time could also be taxed.

"Individuals can get income from various sources, whether from salaries, business revenue, commissions, tuition and working as part-time drivers.

"They have to declare their income in the income tax form."

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