Self-Employment & Gig Income

A Practical Guide to Keeping Records, Filing Taxes, and Reporting Income

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What You'll Learn

By the end of this training, you'll know how to:

1. Recognize self-employment and gig income
2. Track the money you earn and spend
3. Keep simple records
4. Prepare for tax time
5. Use your records when reporting income for benefits

What Is Self-Employment?

You may be **self-employed** when you earn money by providing goods or services on your own, rather than working as an employee for someone else.



Delivering food or groceries



Doing jobs for other people, such as cleaning, childcare, yard work, or construction



Selling products or goods

What Is Gig Work?

Gig work is **short-term, flexible, or on-demand work,** often done instead of or in addition to a traditional job. Many gig workers are **self-employed**.



Delivering for DoorDash or Instacart



Cleaning houses, doing yard work, or small repair jobs



Providing childcare or pet care



Freelance or project-based work

Gig work can be **regular, occasional,** or just something someone does for extra money.

Employee or Self-Employed?



Employee

- Works for an employer
- Employer generally controls how the work is done
- Usually receives a W-2
- Taxes are generally withheld from pay



Self-Employed

- Works for yourself or your own business
- Generally controls how you do the work
- May receive a 1099 — or no tax form at all
- Usually responsible for keeping track of income and expenses

The name of the job doesn't decide whether you're an employee or self-employed. **How the work is actually set up matters.**

Business or Hobby?

Making money from something you enjoy does not automatically make it a business. A key question is whether you are doing the activity with the **intention of making a profit** and operating it like a business.



More Like a Business

- You are trying to make a profit
- You regularly offer or sell goods or services
- You keep track of income and expenses
- You make changes to improve your chances of making money



More Like a Hobby

- You mainly do the activity for personal enjoyment
- Selling something is secondary to the activity
- You are not really trying to make a profit
- Sales may be occasional or incidental

There is no single rule that decides whether an activity is a business or hobby. When you're unsure, **ask for help.**

Is This Self-Employment?



Maria works at a grocery store. She receives a W-2 and taxes are withheld from her paycheck.

What do you think?

Is This Self-Employment?



James delivers meals through DoorDash on weekends for extra money.

What do you think?

Is This Self-Employment?



Keisha regularly cleans houses for several people who pay her directly.

What do you think?

Is This Self-Employment?



Tom sells a few old household items online while cleaning out his garage.

What do you think?

What Counts as Business Income?

Business income is money you receive from selling goods or providing services through your business or self-employment.

- **Cash**
- **Checks**
- **Credit or debit card payments**
- **Payment apps such as Venmo, PayPal, or Cash App**
- **Payments through gig-work platforms**
- **Tips**

How you get paid doesn't determine whether the income counts.

What If I Don’t Get a 1099?

Business income can still be income **even if you don’t receive a tax form.**



A customer pays you **$100 cash** for cleaning



A neighbor pays you **$250** for a repair job



You provide **childcare** in your own home but receive no tax form.

Keep track of what you earn yourself — don’t rely on tax forms to tell you your total income.

Don’t Count the Same Income Twice

A tax form may report money you have already included in your own income records. **It is not additional income.**

During the year



$5,000
tracked from gig work

=

At tax time



$5,000
shown on a 1099 form

Your income is still $5,000 — ~~not $10,000~~.

Tips Are Income — Track Them Separately

Tips you receive for your work are income, whether you receive them in cash, through an app, or as part of another payment.

Delivery payment	**$15**
Customer tip	**$5**
Total received	**$20**



Record the **$5 tip separately**, even though the total income is $20.

Why? Tips may be treated differently for some tax purposes or benefit programs. Good records let you show how much of your income came from tips.

What Is a Business Expense?

A **business expense** is a cost related to running your business or doing your self-employment work.



Supplies and materials used for your work



Advertising or business cards



Fees charged by apps or payment services



Business use of your vehicle



Tools or equipment used for your work



Other costs directly related to earning your business income

Keep track of business expenses — they can reduce the amount of business profit you are taxed on.

Business or Personal?

Some expenses are clearly for **business**, some are **personal**, and some are used for **both**.

BUSINESS



Cleaning supplies purchased for your house-cleaning jobs

PERSONAL



Groceries for your household

BOTH



A cell phone you use for both business and personal calls

Only the business portion of a mixed expense may count as a business expense.

Business Expense or Personal Purchase?



You clean houses and buy a new mop that you use only for your cleaning jobs.

Business, Personal, or Both?

Business Expense or Personal Purchase?



You drive for a delivery app and stop to buy yourself lunch during your shift.

Business, Personal, or Both?

Business Expense or Personal Purchase?



You use your cell phone for both your delivery work and personal calls.

Business, Personal, or Both?

Save Your Receipts

Receipts help you remember and support your business expenses.



Keep paper receipts in an envelope or folder.



Take a photo with your phone.



Save emailed or digital receipts.



Keep all business receipts together.

The sooner you save a receipt, the less likely you are to lose it.

One Simple Recordkeeping System

You don't need expensive software or accounting experience to keep good business records.



Income Log



Expense Log



Mileage Log
(if you drive for your business)



Receipt Folder

A few minutes each week can make tax time much easier.

Income Log

Write down every payment you receive as soon as possible.

Date	Customer or Source	Payment for Work	Tips	Total Received	Payment Method
7/8/26	Local Client	$85	$15	**$100**	Cash
7/10/26	Delivery App	$60	$0	**$60**	Direct deposit
7/12/26	Yardwork Customer	$40	$10	**$50**	Payment app

Include payments even if you did not receive a tax form.

Expense Log

Write down your business expenses as soon as possible.

Date	Vendor or Store	What You Bought	Business Purpose	Amount	Receipt Saved?
7/14/26	Cleaning supply store	Mop and cleaning solution	House cleaning jobs	**$42**	Yes
7/16/26	Office supply store	Business cards	Advertising	**$28**	No
7/18/26	Hardware store	Tool repair	Repair equipment used for jobs	**$35**	Yes

Good records make it easier to remember your business expenses at tax time.

Mileage Log

If you use your vehicle for your business, keep a mileage log throughout the year.

Date	Destination/ Location	Business Purpose	Miles Driven
7/15/26	Client's home	House cleaning	**18 miles**
7/17/26	Restaurant deliveries	Delivery work	**42 miles**
7/19/26	Hardware store	Pick up supplies	**12 miles**

Record your mileage as you drive, not months later.

Which Miles Count?

Some driving is business mileage, and some is not.



✓ Business Miles

Driving from one client's home to another client's home.



× Commuting

Driving from home to your regular workplace.



✓ Business Trip

Driving to buy supplies for your business.

Not every mile you drive for work counts as business mileage.

Did You Earn $500?

You earned **$500** cleaning houses this week.

You spent:

Cleaning supplies	**$40**
Equipment repair	**$25**
Advertising	**$15**
Total expenses:	**$80**

How much did you really earn?

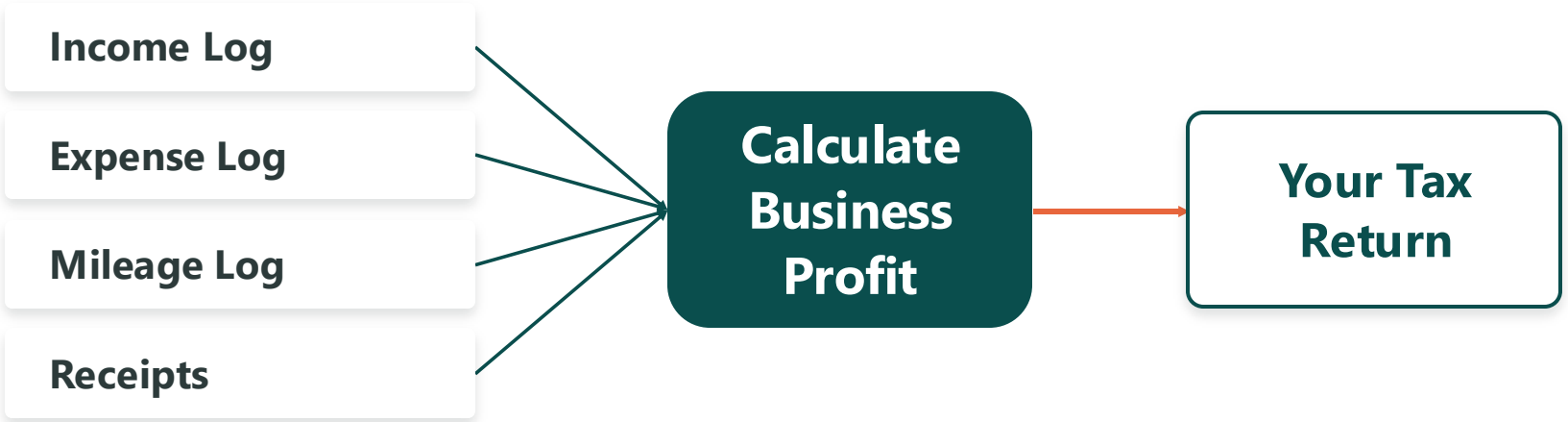
Understanding Profit

Money Coming In	$500
– **Business Expenses**	$80
Profit	$420

Profit is the money left after you pay your business expenses.

Profit—not just the money you receive—may be used for taxes and benefit programs.

Good Records Make Tax Time Easier



The records you keep during the year make preparing your tax return much easier.

What Happens at Tax Time?

1. Bring your records
2. Calculate your business profit
3. Prepare your tax return
4. File your return

Good records make every step easier.

What Should You Bring?

- ✓ **Income log or records**
- ✓ **Expense log or records**
- ✓ **Mileage log** (if applicable)
- ✓ **Receipts** (if available)
- ✓ **Tax forms** (such as 1099s)
- ✓ **Last year's return** (if available)

Don't wait until your records are perfect. Bring what you have and ask questions.

Paying Taxes Throughout the Year

Estimated Tax Payments

Self-employment income usually does not have taxes withheld automatically.

- You may need to make **estimated tax payments** during the year.
- Ask a tax professional if estimated tax payments are right for you.

Typical Payment Dates



Setting money aside during the year can help you avoid a surprise tax bill.

Where Can I Get Help?



File My Tax Return

Get help from a VITA/TCE program (if eligible) or a qualified tax professional.



Find Free Tax Help

Use the IRS VITA/TCE Locator Tool to find free tax preparation sites near you.



Tax Forms & Information

The IRS and your state tax agency provide official tax forms and information.



Report Benefit Income

Contact your caseworker or benefits office about reporting income or program requirements.

The right source can save you time and prevent costly mistakes.

Build These Five Habits

- ✓ Keep good records
- ✓ Save your receipts
- ✓ Track your business mileage
- ✓ Set money aside for taxes
- ✓ Ask for help when you're unsure



Small habits today can save time, money, and stress later.

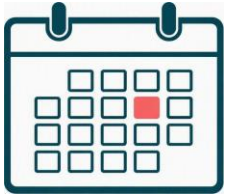


Addendum: Reporting Self-Employment Income for Benefits

Benefit programs may use different rules and reporting schedules than taxes.

Taxes and Benefits May Use Different Reporting Schedules

Taxes



Usually once each year

Benefits



May require reporting more often

Each program has its own reporting rules and deadlines.

Always follow the reporting requirements for your specific benefit program. If you're unsure, ask your caseworker or benefits office.

Reporting Income for Benefits

If your self-employment income changes, you may need to report it to your benefit programs—following each program's reporting rules.



1. Keep your income and expense records up to date.



2. Report your income when your benefit program requires it.



3. Ask your caseworker if you're unsure what to report.

Keeping good records makes reporting easier.