



This Week in State Tax (TWIST)

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Georgia: Safe Rider Fee Subject to Sales Tax

The Georgia Tax Tribunal recently addressed whether a ride sharing company was required to collect sales tax on a “safe rides fee or booking fee” that was imposed on certain trips facilitated through the company’s app. The separately stated flat fee was charged to a rider and paid over to the company directly to recover the costs of improving the safety of the company’s platform by conducting driver background checks, developing safety features in the app, and other efforts. The issue before the Tribunal was whether the fee was included in the Georgia sales tax base. Under Georgia law, sales tax is imposed on the “sales price” of goods and services. The definition of “sales price” is broad and generally means the total amount for which property or services are sold without any deduction for expenses. The company asserted that under a departmental regulation governing taxicabs, it was only required to collect sales tax on fares related to transportation. In addition, in the company’s view, the safety or booking fee was a distinct and identifiable charge to recover costs of certain non-taxable services and was therefore not part of the sales price of a ride. The Tribunal rejected the company’s assertions, noting that Georgia’s definition of sales price was broad and captured fees related to non-taxable services that was part of the total consideration paid for a ride service. Further, none of the specific exclusions from the definition of sales price captured the costs the company was recovering. The issue of whether the safety or booking fee was part of the sales tax base stemmed from an earlier dispute in which the Tribunal determined that the company was considered a taxicab headquarters operator required to register as a dealer for sales tax purposes. Please contact [Ben Cella](#) with questions on *Uber Technologies, Inc. v. Crittenden*.



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