

Uber & Lyft Driver Health Insurance Deduction Checklist

Self-employed health insurance deduction | Form 7206 | Schedule 1 (Form 1040), line 17 | thehospitalinfo.com

Step 1: Check your eligibility

- ☐ The business that holds your plan showed a **net profit** this year (Schedule C or other self-employment profit).
- ☐ The policy is **established under that business**. For a sole proprietor filing Schedule C, it can be in your own name or the business name.
- ☐ For each month you deduct, check whether you were eligible for an **employer-subsidized plan** through your own employer, your spouse's employer, or, in applicable cases, a dependent's or under-27 child's employer. Eligibility can disqualify that month's premiums even if you declined the coverage.
- ☐ The coverage is for you, your spouse, your dependents, or your child under 27 at year-end.
- ☐ The coverage type qualifies: medical, dental, vision, qualified long-term care (age-based limits), or qualifying Medicare premiums when IRS requirements are met.

Step 2: Gather your records

- ☐ Form 1095-A from the Marketplace (shows premiums and advance premium tax credit).
- ☐ Bank or card statements and insurer premium summaries for every premium payment.
- ☐ Annual tax summaries and any Form 1099-K or 1099-NEC from Uber, Lyft, and every other app, plus records of cash and tip income.
- ☐ Your mileage log and records of other business expenses for Schedule C.

Step 3: Run the numbers

- ☐ Schedule C net profit = gross fares and tips minus business expenses, counting each expense once.
- ☐ Net premiums = premiums paid minus the premium tax credit allowed on Form 8962.
- ☐ Deduction limit = the eligible net earnings from the business under which the plan is established, reduced by the deductible part of self-employment tax and applicable retirement-plan contributions attributable to that business.
- ☐ Your deduction = the **smaller** of your net premiums (for months without employer-plan eligibility) or the limit.

Step 4: File it correctly

- ☐ Use **Form 7206** if you have more than one source of income subject to self-employment tax, file Form 2555, or include qualified long-term care premiums. Check the current IRS instructions before filing.
- ☐ Report the result on **Schedule 1 (Form 1040), line 17**. Do **not** list it as an expense on Schedule C.
- ☐ If you had Marketplace coverage, complete Form 8962 and follow the Publication 974 steps, because the deduction and the credit affect each other.
- ☐ Keep copies of your records for at least three years. Some situations call for longer, so check the IRS record-keeping guidance.

Step 5: Protect your subsidy

- ☐ For 2026 coverage, compare your projected household MAGI with the applicable federal poverty guideline and current Premium Tax Credit rules. Being near or above 400% of the poverty level can materially affect eligibility.
- ☐ Update your Marketplace income estimate when your driving income changes.
- ☐ No repayment cap applies to excess advance credits starting with tax year 2026. Reconcile advance credits on Form 8962 when required.
- ☐ Ask a licensed tax professional if you run a second business or your case is complicated.

Sources: [IRS Form 7206 instructions](#) | [Publication 974](#) | [IRS record-keeping](#) | [HealthCare.gov](#)

Educational use only. This checklist is not tax, legal, or insurance advice. Last reviewed October 2026 against the 2025 IRS instructions. Confirm the final 2026 Form 7206 and instructions before you file your 2026 return.