

TAKING SEATTLE FOR A RIDE

How Uber's Increasing Take Rate Is Costing Riders

Executive Summary

Seattle has made headlines as the most expensive city in America to take an Uber.¹

But, while Uber has blamed rider prices on regulations that guarantee drivers earn a minimum wage, far less scrutiny has been paid to the amount that Uber takes from each trip for corporate profits and overhead.

Based on an analysis of driver tax data covering more than **1.4 million trips** from **2019-2024**, *Taking Seattle for a Ride* reveals how much Uber's increasing corporate take rate is contributing to rider costs.

Findings:

- ▶ Uber is taking more from rider fares.
- ▶ From 2019-2024, the average amount that Uber took from rider fares skyrocketed from \$4.69 per trip to \$13.06 per trip – a 178 percent increase.
- ▶ On average, Uber currently takes 35 percent from each fare.
- ▶ During surge pricing, Uber sometimes takes more than 50 percent of rider price.
- ▶ If Uber reinstated their previous take rate limit of 20 percent of rider price, they could immediately lower prices for riders by 19 percent – reducing the average rider fare from \$37 to \$30.

Taking More from Riders

Transportation network companies have argued that increased passenger prices are due to increases in the minimum wage for drivers. However, driver tax summaries reveal that increasing corporate take rates have played a much larger role in increased rider prices than has previously been reported.

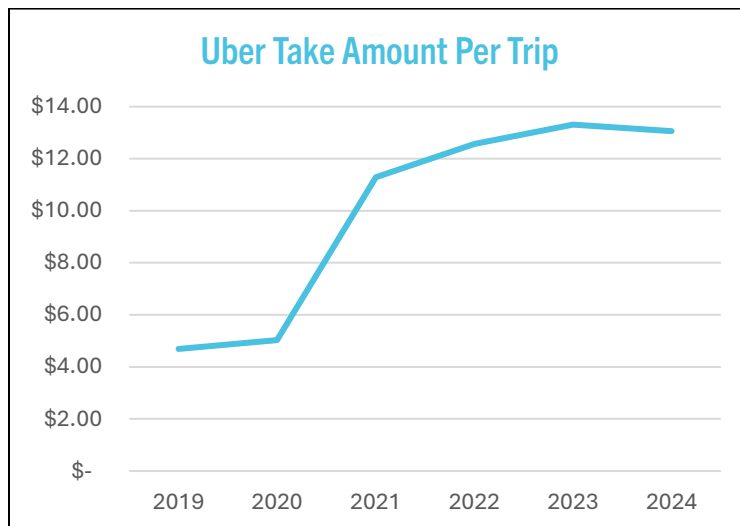
Uber driver yearly tax summaries provide the gross amount charged to riders as well as the gross amount paid to the driver.² The difference is the **take rate** — the amount retained by Uber for profits and administrative overhead.

¹ Pelkey, M. (2025, May 19). The Price and Affordability of Uber Across America in 2025. *NetCredit*.

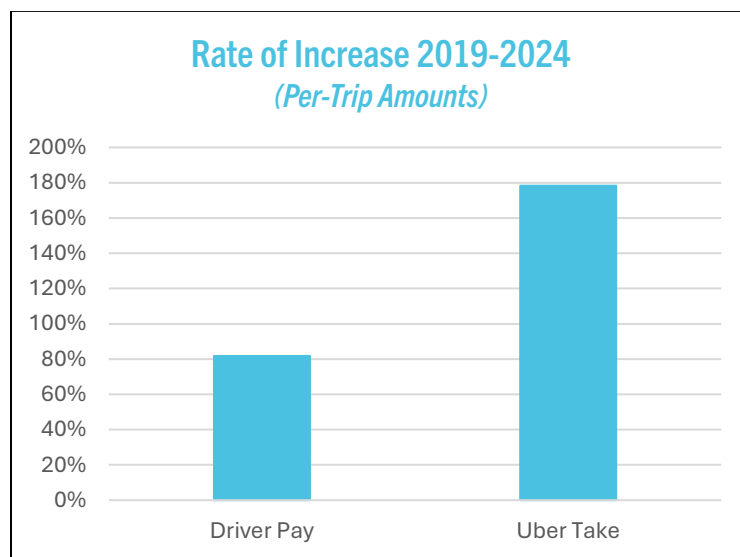
<https://www.netcredit.com/blog/how-much-does-a-30-minute-uber-cost/>

² According to Uber's tax information, "Gross earnings are the total amount paid by riders and Uber Eats users for the rides and/or deliveries you completed." That means that in driver tax documentation, Uber classifies all passenger fares as "gross earnings" for drivers, even though that amount includes the corporate take rate – the amount of the fare retained by the company for profits and corporate expenses. Drivers must deduct these fees as business expenses when they report taxes to avoid paying taxes on money they never received.

From 2019-2024, the average amount that Uber retained from rider fares skyrocketed from **\$4.69** per trip to **\$13.06** — a **178 percent increase**.



While Uber has launched a PR offensive to blame rider price hikes on drivers' minimum wage³, the tax data reveals that the amount Uber retained from each trip has **increased more than twice as fast as driver pay**.



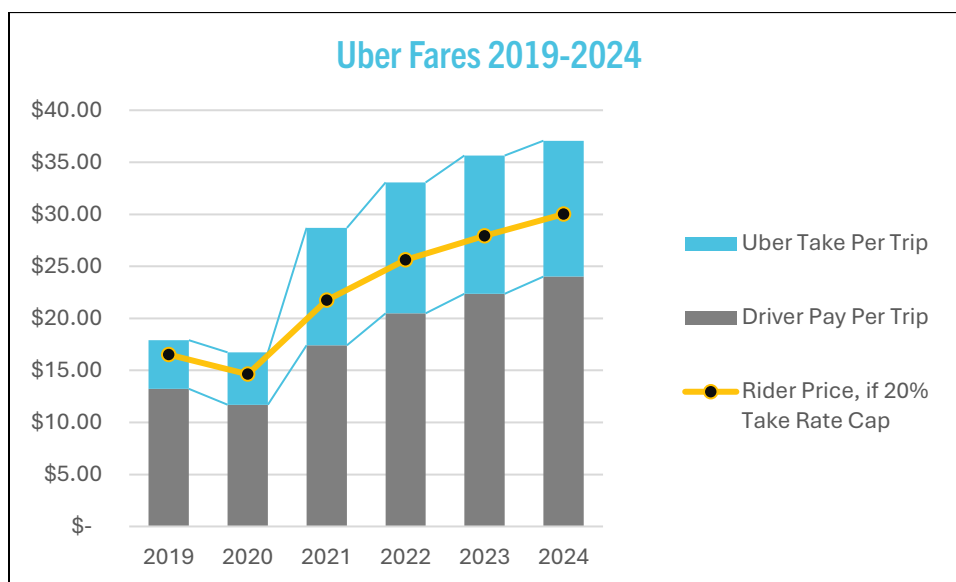
In 2024, Uber's take rate consumed a full **35 percent** of rider prices on average.

³ Baruchman, M. (2020, December 30). Uber will charge significantly more per trip as new Seattle law goes into effect Jan. 1. *Seattle Times*. <https://www.seattletimes.com/seattle-news/transportation/embargoed-uber-raising-its-prices-starting-jan-1/>

Capping Take Rate at 20%

When Uber first launched, take rates were capped at 20 percent of rider fares⁴, with the driver retaining 80 percent.

If Uber returned to limiting their take rate to 20 percent of rider price, they could immediately lower prices for riders by 19 percent while maintaining Washington's minimum wage for drivers. That would reduce the price of the average Uber trip from \$37.07 today to \$ 30.01.



How would a 20% cap on corporate take rates lower rider prices for typical trips?

- ▶ On a longer trip from Ballard to the airport, a rider could save about \$15 — paying an estimated \$65.25 instead of \$80.31.
- ▶ On a mid-range cross-neighborhood trip from Queen Anne to Columbia City, a rider could save about \$8.50 — paying an estimated \$36.88 instead of \$45.38.
- ▶ On a short trip from Downtown to Capitol Hill, a rider could save about \$4 — paying an estimated \$16.45 instead of \$20.25.

Example Trip	Current Est. Price	Est. Price with 20% Cap
Ballard - SeaTac (20 miles, 30 minutes)	\$80.31	\$65.25
Queen Anne - Columbia City (10 miles, 20 minutes)	\$45.38	\$36.88
Downtown - Capitol Hill (4 miles, 10 minutes)	\$20.25	\$16.45

Transportation Network Companies have sometimes argued that increased take rates are necessary due to rising insurance costs and other expenses. However, the TNC business model by design shifts the expenses of driving to individual drivers, who are personally and entirely responsible for the rising costs of vehicles, maintenance, cleaning, fuel, depreciation, taxes, fees, and personal insurance.

⁴ Huet, E. (2015, May 19). Uber Tests Taking Even More From Its Drivers With 30% Commission. *Forbes*.
<https://www.forbes.com/sites/ellenhuet/2015/05/18/uber-new-uberx-tiered-commission-30-percent/?sh=10e3fd5043f6>

When It Surges, It Pours

Surge pricing makes the problem of excessive take rates worse.

When Uber first introduced surge pricing, it was based on the idea that during periods of high rider demand, it was sometimes necessary to pay drivers more to incentivize additional driver supply to meet rider demand.

Now, when riders experience surge pricing, there is no longer any connection between what the rider is charged and what the driver is paid, and no limit on how much the companies take from each trip.

During large events, riders regularly complain about being overcharged, while Uber and Lyft take an increasingly higher share — sometimes more than 50 percent — of what riders pay.

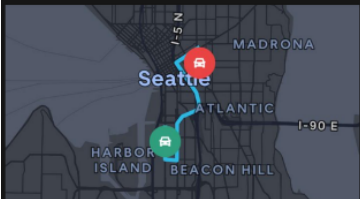
Take this example of a trip from the stadium district to Capitol Hill (see below). The customer was charged **\$184.79**. The driver was paid less than 50% of the rider price, while Uber charged an **\$88.81** service fee plus additional fees to cover operational expenses.

If the driver had been paid Seattle's rideshare minimum wage and Uber limited their take to 20%, the rider would have paid less than **\$35**. Clearly, the driver minimum wage is not to blame for the rider's high price.

← Trip Details

UberX • Jun 26, 2025 • 11:19 PM

\$90.61



Duration
30 min 36 sec

Distance
3.89 mi

1st Ave S, Seattle, WA, US

Broadway, Seattle, WA, US

◆ 1 point earned

Your earnings

Fare	\$85.61
Promotion	\$5.00
Your earnings	\$90.61
Expenses	-\$0.13
Trip balance	\$90.48

Uber service fee summary

Total customer fare

\$184.79

Total amount before promotions (excluding the price of items paid to restaurants and stores)

Government taxes, third-party fees, and regulatory-related charges

This amount goes toward taxes, obligations, or fees imposed by third parties, such as airport surcharges, tolls, sales tax, and minimum earnings requirements imposed on Uber. Certain charges, such as tolls, may be remitted to you if you are directly responsible for payment.

Region or City Fee	-\$0.28
Seattle Transportation Network Company Tax	-\$0.42
WA Driver Resource Center Fund Fee	-\$0.15
WA Driver Benefits Fee	-\$0.61
Estimated commercial auto insurance and operational expenses	-\$3.91

Your earnings

Total money you made on this trip including tip

-\$90.61

Uber Service Fee

This amount is what we take to serve our users and run our business. It goes toward things such as improving our apps and expanding earning opportunities. The Uber Service Fee is collected from the customer fare but is charged to you.

\$88.81

Efforts to Combat Excessive Take Rates

This year, State Senator Emily Alvarado introduced Senate Bill 5600 which would have combatted excessive surge pricing during large events by limiting rider prices to no more than 20 percent above what the driver is paid. The bill passed out of committee, but did not come up for a vote in the full Senate.

Senator Alvarado has signaled an intention to continue working on the issue of excessive take rates, telling *Geekwire*: “If we continue to see a lack of transparent pricing during large-scale events in the coming months, I remain committed to revisiting the issue next session in preparation for the World Cup.”⁵

Recommendations

Policy recommendations include:

- ▶ Policy makers should enact regulations to ensure transparency in rideshare pricing.
- ▶ Policy makers should limit rideshare prices to no more than 20 percent above driver pay.

Methodology

For this study, Drivers Union collected Uber generated tax summaries from 347 Uber drivers, covering 1,414,553 trips from 2019 through 2024. Uber’s yearly tax summaries show aggregate data on the number of trips a driver completed, gross charges for riders, and amount of driver compensation.

On Uber driver tax summaries, the gross amount that riders paid for trips is presented as “Your gross payment.” The amount that drivers were paid is presented as “Your Net Payout.” Researchers calculated Uber’s take rate as the difference between rider price and driver pay.

To estimate Uber take amount on typical trips currently and under a 20% take rate cap, researchers first calculated driver pay under Washington law based on the miles and minutes of each trip. Then, researchers applied a 35% take rate to estimate current rider price, and also estimated rider price under a 20% take rate.

Authors recognize that there is an information asymmetry in the rideshare industry where rideshare companies have massive amounts of rider and driver data, while academics, regulators, policy makers and even drivers themselves have far more restricted access to data. More robust data sharing on company take rates would enable an even deeper analysis of the important issues of public concern raised in this report.

About Drivers Union

Drivers Union is the voice for Washington’s more than 30,000 ride-hail drivers and is certified by Washington Department of Labor & Industries as the statewide Driver Resource Center. Drivers Union has championed the nation’s strongest labor protections for rideshare drivers — including a nation-leading minimum pay standard, paid sick and safe time, just cause job protections, unemployment, workers compensation, and paid family & medical leave. For more information, visit [DriversUnionWA.org](https://driversunionwa.org)

⁵ Stiffler, L. (2025, March 19). Proposed law to rein in Uber and Lyft surge pricing stalls in Washington state. *Geekwire*. <https://www.geekwire.com/2025/proposed-law-to-rein-in-uber-and-lyft-surge-pricing-stalls-in-washington-state/>