

Other income and expense for the nine months ended September 30, 2015, increased by \$0.7 million compared to the nine months ended September 30, 2014, driven primarily by fluctuations in foreign exchange rates.

Provision for Income Taxes

The following table sets forth our provision for income taxes for the periods shown:

	Nine Months Ended September 30,		\$ Change	% Change
	2014	2015		
	(in thousands) (unaudited)			
Provision (benefit) for income taxes	\$ (257)	\$ 2,502	\$ 2,759	NM
Effective tax rate	—%	(2)%		

Provision for income taxes for the nine months ended September 30, 2015, increased by \$2.8 million compared to the nine months ended September 30, 2014, primarily due to the decrease in income tax benefit arising from acquisitions.

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Comparison of Years Ended December 31, 2012, 2013, and 2014

Total Net Revenue

The following table sets forth our total net revenue for the periods shown:

	Year Ended December 31,			2012 to 2013 % Change	2013 to 2014 % Change
	2012	2013	2014		
	(in thousands)				
Transaction revenue	\$193,978	\$433,737	\$707,799	124%	63%
Starbucks transaction revenue	9,471	114,456	123,024	NM	7%
Software and data product revenue	—	—	12,046	—%	NM
Hardware revenue	—	4,240	7,323	NM	73%
Total net revenue	<u>\$203,449</u>	<u>\$552,433</u>	<u>\$850,192</u>	<u>172%</u>	<u>54%</u>

Comparison of Years Ended December 31, 2013 and 2014

Total net revenue for the year ended December 31, 2014, increased by \$297.8 million, or 54%, compared to the year ended December 31, 2013.

Transaction revenue for the year ended December 31, 2014, increased by \$274.1 million, or 63%, compared to the year ended December 31, 2013. This increase was attributable to growth in GPV processed of \$9.0 billion, or 60%, to \$23.8 billion from \$14.8 billion. A relatively greater proportion of growth in GPV was derived from new sellers added within the year ended December 31, 2014; a smaller though still meaningful portion was generated by growth in GPV from the payment activity of existing sellers that were approved to transact with us on or prior to December 31, 2013. Our transaction revenue as a percentage of GPV also improved relative to the prior-year period, most notably as a result of the discontinuation in the first quarter of 2014 of our monthly pricing program, under which we charged sellers \$275 for up to \$21,000 of payment processing. Transaction revenue contributed 83% of total net revenue in the year ended December 31, 2014, up from 79% in the year ended December 31, 2013.

Starbucks transaction revenue for the year ended December 31, 2014, increased by \$8.6 million, or 7%, compared to the year ended December 31, 2013. Starbucks transaction revenue contributed 14% of total net revenue in the year ended December 31, 2014, down from 21% in the year ended December 31, 2013.

Software and data product revenue for the year ended December 31, 2014, increased to \$12.0 million and was a nominal amount in the year ended December 31, 2013. We launched and expanded several new services in 2014, including Square Capital. Software and data product revenue in 2014 also reflected the effect of our acquisition of BookFresh in February 2014 and Caviar in August 2014. Software and data product revenue contributed 1% of total net revenue in 2014.