

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

1010		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED			
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S TIN		OMB No. 1545-2205	
		PAYEE'S TIN		Form 1099-K	
		1a Gross amount of payment card/third party network transactions		(Rev. January 2022)	
		\$		For calendar year 20__	
Check to indicate if FILER is a (an):		Check to indicate transactions reported are:		2 Merchant category code	
Payment settlement entity (PSE) <input type="checkbox"/>		Payment card <input type="checkbox"/>		3 Number of payment transactions	
Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Third party network <input type="checkbox"/>		4 Federal income tax withheld	
PAYEE'S name		5a January		5b February	
Street address (including apt. no.)		\$		\$	
City or town, state or province, country, and ZIP or foreign postal code		5c March		5d April	
PSE'S name and telephone number		\$		\$	
Account number (see instructions)		5e May		5f June	
		\$		\$	
2nd TIN not <input type="checkbox"/>		5g July		5h August	
		\$		\$	
		5i September		5j October	
		\$		\$	
		5k November		5l December	
		\$		\$	
6 State		7 State identification no.		8 State income tax withheld	
				\$	
				\$	

Form **1099-K** (Rev. 1-2022) Cat. No. 54118B www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

It used to be that receiving a Form 1099-K was relatively rare. The form, technically known as Form 1099-K Payment Card and Third-Party Network Transactions was used to report payments received from various third-party resources. Prior to 2022, the monetary threshold to receive a 1099-K was \$20,000, with 200 sales-related transactions required. Both requirements had to be fulfilled in order to receive a 1099-K.

But thanks to a bill tucked inside the American Rescue Plan Act that was passed in 2021, anyone who sells more than \$600 in merchandise with any number of transactions, even a single one, will be receiving the newly revised Form 1099-K.

If you're a small business owner and receive the majority of customer payments from

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

goods and services only, so it will not affect any funds you may receive from friends and family, so you can transfer money to your kids without them having to pay taxes on it. Unfortunately, there is no really good way to differentiate between the two at this time, which may result in transactions being erroneously reported on Form 1099-K (and to the IRS) that should not be.

The end result of this change is that individuals who have sold small amounts of merchandise on eBay, Etsy, and other selling platforms to make ends meet may suddenly find themselves on the hook for increased taxes. From an accountant's standpoint, this means that more small business clients will be including a 1099-K with their year-end documentation. Another downside to this new reporting is that Form 1099-K does not include credits, discounts, fees, or returns in its total reported, leaving it up to the individual to expense those items separately. This also means that more individual tax filers may find themselves required to file a Schedule C to report additional income.

Not everyone is onboard with these changes. Organizations such as eBay are currently lobbying Congress to increase the threshold back to the original \$20,000, though it's unlikely to happen, since this change is part of the government's way to pay for the American Rescue Plan Act. However, there is a bill in Congress right now that would raise the threshold from \$600 to \$5,000, but it's unclear as to whether the bill, if passed, would impact the 2022 tax year.

Whatever the outcome, both small business merchants, new gig workers, and accountants alike should be prepared for an influx of Form 1099-K in 2023.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us