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Code section 6041 established in 1954 and does not account for increases in ...

Dec. 18, 2022

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 <b>1099-K</b>	
		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): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input type="checkbox"/>		2 Merchant category code	
				3 Number of payment transactions	
PAYEE'S name		4 Federal income tax withheld		<b>Copy A</b> <b>For Internal Revenue Service Center</b>  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>current General Instructions for Certain Information Returns.</b>	
Street address (including apt. no.)		\$			
City or town, state or province, country, and ZIP or foreign postal code		\$			
PSE'S name and telephone number		\$			
Account number (see instructions)		5a January			
2nd TIN not. <input type="checkbox"/>		5b February			
		5c March			
		5d April			
		5e May			
		5f June			
		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

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In a letter to Congressional leadership of the Senate Finance Committee and the House Ways and Means Committee, the [American Institute of CPAs](#) expressed deep concerns regarding the Form 1099-K, Payment Card and Third Party Network Transactions, reporting threshold that was lowered to \$600 for 2022 and will lead to significant confusion in the tax system in the coming months.

Under section 9674(a) of the American Rescue Plan Act of 2021 (ARPA), the de

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K required to be filed with the Internal Revenue Service (IRS) and furnished to recipients by third-party settlement organizations and their electronic payment facilitators.

“The excessive reduction in the de minimis reporting threshold for third-party network transactions has created a significantly large reporting burden,” the letter states. “When the potential for matching is overlayed with IRS’s continuing processing backlog, more needs to be done to ensure that taxpayers and practitioners are not faced in 2023 with yet another tax filing season with unprecedented backlog levels leading to additional delays in processing returns and correspondence, historically low levels of telephone service, and incorrect notices and penalties being assessed and sent to taxpayers.”

The AICPA recommends that the section 6050W(e) de minimis exception for reporting be cost-of-living adjusted<sup>4</sup> (COLA) using 1954 as the base period for the \$600 COLA and supports the National Taxpayers Union Foundation recommendation that the threshold be raised to “a level sufficient to exempt casual or low-level online activity,” agreeing that \$5,000 would constitute significant progress.

Income Tax • Taxes

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