



June 13, 2023

The Honorable Jason Smith  
Chairman  
House Ways and Means Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Ways and Means Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

On behalf of tens of millions of Americans who rely on online platforms to earn extra income and support their families, as well as those who use digital payment apps, we write to express our support for the House Ways and Means Committee's *Small Business Jobs Act* ([H.R. 3937](#)) provision to restore the original 1099-K reporting threshold of \$20,000 and 200 transactions, which was drastically reduced to \$600 under the *American Rescue Plan Act of 2021*. This most recent step by the Committee represents a promising shift towards averting the looming wave of 1099-K forms expected during the upcoming tax season, sparing individuals, casual sellers, start-ups, and micro-businesses from the burdensome task of managing excessive paperwork and complex tax reporting requirements.

Amidst persistent inflationary pressures, individuals and small-scale entrepreneurs are increasingly leveraging online platforms to boost their income and reach a broader customer base, all of whom will find themselves entangled in this new tax reporting regime. This includes retired couples downsizing and decluttering their homes by selling old furniture and other household items, parents reselling gently-used children's clothes during back-to-school season, or roommates splitting grocery and utility bills on payment platforms. It is important to note that many of these transactions involve items being exchanged for less than their original value, resulting in minimal or no taxable income.

Policymakers in Congress have several bills before them, including the *Cut Red Tape for Online Sales Act* ([H.R. 3530](#)) introduced by Reps. Chris Pappas (D-NH) and Dan Kildee (D-MI), which would increase the 1099-K reporting threshold to \$5,000. The broad, bipartisan support in Congress to maintain a fair, accessible, and secure online marketplace ecosystem for consumers and taxpayers alike underscores the need for timely action. In that spirit of progress, we urge all Members of Congress to continue working in good faith and to support any and all efforts aimed at increasing the 1099-K reporting threshold.

Thank you for your time and attention to this timely matter.

Sincerely,



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