



For more information visit [IRS.gov/1099K](https://www.irs.gov/1099K)



More taxpayers will be receiving **Form 1099-K**, *Payment Card and Third Party Network Transactions*

New reporting threshold for Form 1099-K will start in tax year 2023.

All third-party payment apps and online marketplaces are required to issue a **Form 1099-K** when gross payments for goods or services exceed \$600.

There's no change to how the money you earn is taxed

There are no changes to what counts as income or how your tax is calculated. The only change is the threshold amount for when a 1099-K is reported to you and to the IRS.

Personal reimbursements and most gifts are not taxable

If you receive personal gifts through payment applications, or if people use them to pay you back for a personal expense, it doesn't count as income. Be sure to designate these types of electronic transactions as non-business when possible.



What should be reported on a 1099-K?

- › If you accept payment cards as a form of payment, you will receive a Form 1099-K for the gross amount of the payments made to you.
- › If you accept payments from a third party settlement organization, you will receive a Form 1099-K from that organization if the gross payments to you for goods or services exceeded \$600.

Forms 1099-K must be furnished to the payee by January 31. Use this information return with your other tax records to determine your correct tax.



What should not be reported on a 1099-K?

Money received from friends and family as a gift or reimbursement of a personal expense should not be reported on a 1099-K.

The IRS cannot correct inaccurate Forms 1099-K.
If you receive a Form 1099-K in error or it is wrong, contact the payer immediately. Keep a copy of all correspondence with the payer with your tax records.