

FORM 1099-K INFORMATION SHEET

Forms 1099-K are issued to recipients of payment from Payment Cards (debit/credit/gift), Payment Apps (Venmo, CashApp, Apple Pay, etc.) and E-Commerce sites (eBay, Etsy, Amazon, etc.). While Forms 1099-K are not new, the reporting thresholds are being lowered each year for the next three years (\$5,000+ in 2024, \$2,500 in 2025, and \$600 in 2026). This will result in more and more taxpayers who use these platforms receiving Forms 1099-K each year.

Forms 1099-K should NOT include personal payments from friends/family (gifts or repayment for personal expenses) or for proceeds from the sale of personal items at a loss (like an item sold at a yard sale for less than the original purchase price). Errors are anticipated due to the additional steps necessary during setup of accounts in order to correctly identify the sources of income.

If you receive a Form 1099-K please do the following:

1. Compare the amount reported in Box 1a "Gross amount of payment card/third party network transactions" to your records. If any of the payments included in Box 1a were non-taxable payments for:
 - a. Gifts or repayment of personal expenses from friends or family. Examples could include birthday gifts sent electronically, reimbursement for personal items and/or shared expenses like movie tickets you purchased for a group, or
 - b. Proceeds from the sale of personal items at a loss. Examples could include proceeds for sale of items at yard sales that were sold for less than your original purchase price.

If any of the above non-taxable payments are found to be included in Box 1a please be sure to complete our 1099-K organizer to be submitted with your tax packet.

2. Set it aside to be included in your tax packet along with all other income forms.

If you have any questions related to your Form 1099-K or anything else please don't hesitate to contact our office.