

Form 1099-K – Latest Information

In Notice 2024-85 IRS announced the filing requirement for issuing Forms 1099-K will be:

- More than \$5,000 of total transactions during 2024
- More than \$2,500 of total transactions during 2025
- More than \$600 of total transactions during 2026

Technically the law says the filing requirement is “more than \$600.” IRS, in this Notice, says it will not assess penalties for companies that do not issue the Form 1099-K as long as the amount does not meet the above thresholds.

On the individual side, when a Form 1099-K is received, it needs to be accounted for on the tax return. Naturally, if it is business income, it should be part of the overall business income on the tax return. If it is not business income, or it is for personal transfers of money between family and friends, or it is for the sale of personal items at a loss, it still has to be reported (aka, accounted for) even though it may not result in income. In December of 2022, IRS released Fact Sheet 2022-41 with Questions/Answers on reporting Form 1099-K amounts when it is not business income. You can find this Fact Sheet by going to [irs.gov](https://www.irs.gov) and entering “FS-2022-41” in the SEARCH box.

This text has been shared courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (fax 920-496-9111).

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