



2023 TAX LAW

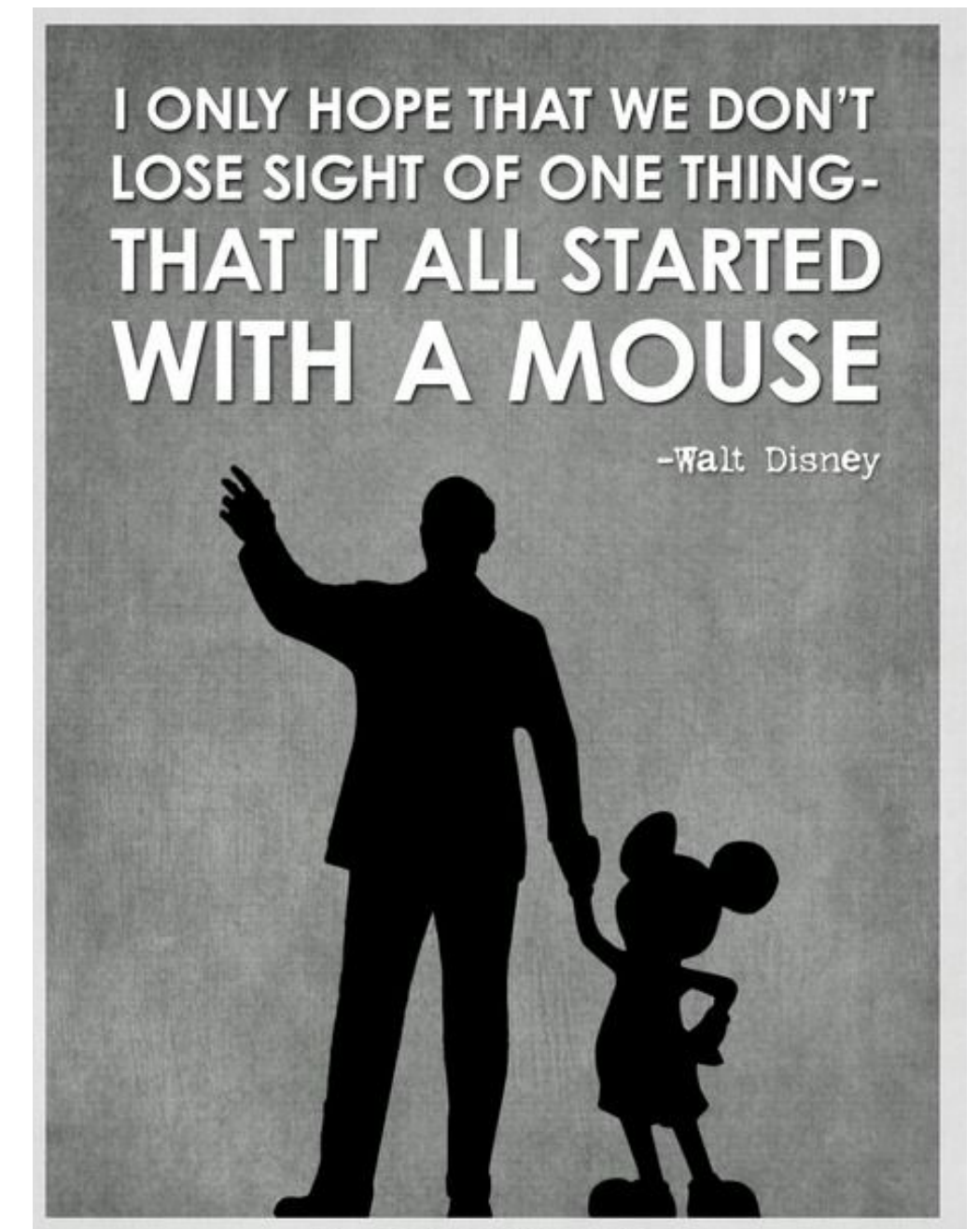
PRESENTATION

CHANGES



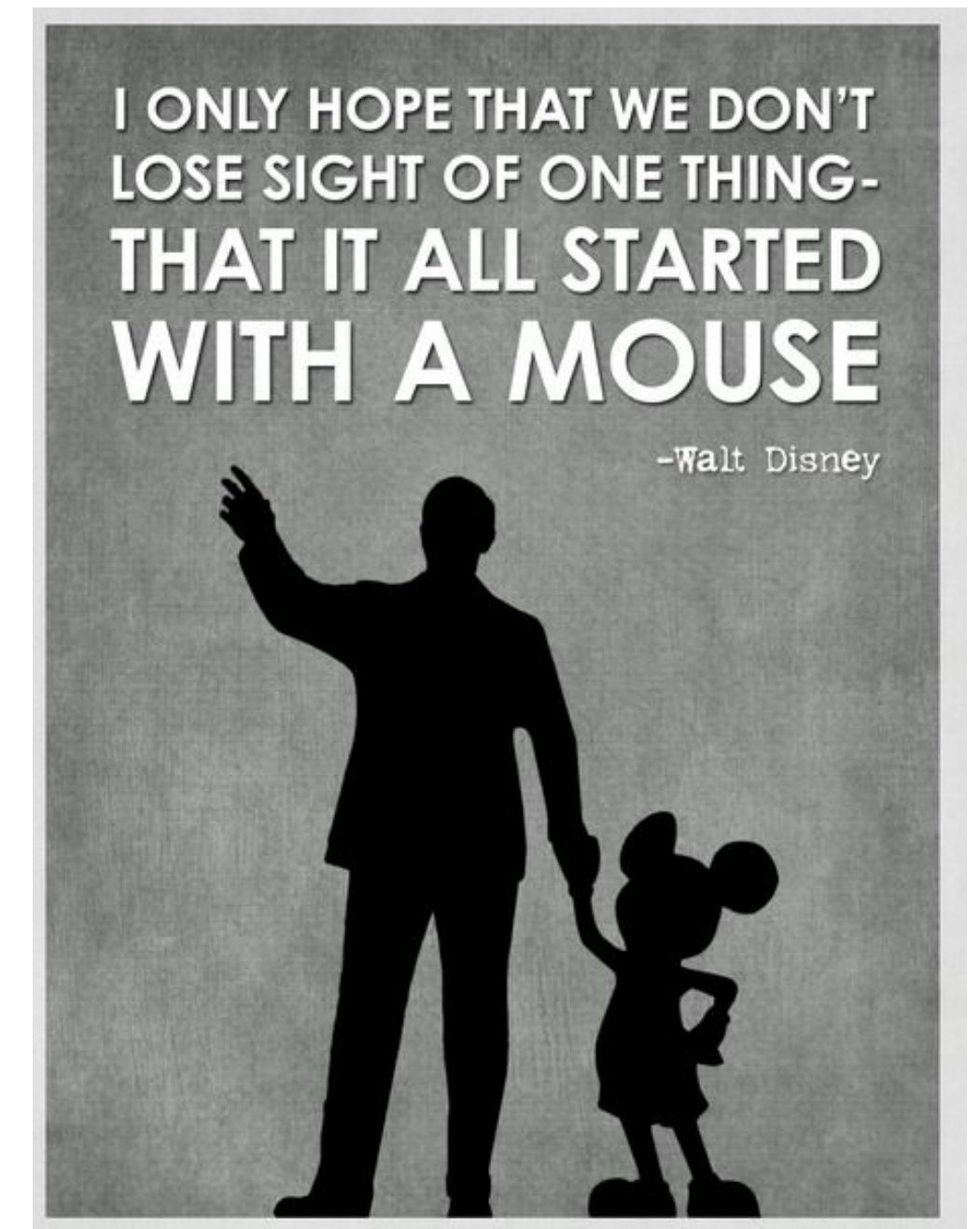
Welcome to the 2023 Tax Season

Everything we do starts with getting the 1040 filed.....



Agenda/Goals

1. Review Form 1040 Changes
2. Review Tax Law Changes for 2023
 - New Tax provisions for 2023
 - Tax Items that have been eliminated for 2023
3. New 1099-K Reporting Requirements



2023-24

FORM 1040 AND SCHEDULES 1, 2, & 3

2017 – Tax Returns

Form 1040A (2017) **U.S. Individual Income Tax Return** (99) **2017**

OMB No. 1545-0047

Department of the Treasury—Internal Revenue Service

Enter the amount from line 21 (adjusted gross income). Total boxes checked: 23a ☐ 23b ☐ 24 ☐ 25 ☐ 26 ☐ 27 ☐ 28 ☐ 29 ☐ 30 ☐ 31 ☐ 32 ☐ 33 ☐ 34 ☐ 35 ☐ 36 ☐ 37 ☐ 38 ☐ 39 ☐ 40 ☐ 41 ☐ 42a ☐ 43 ☐ 44 ☐ 45 ☐ 46 ☐ 47 ☐ 48a ☐ 49 ☐ 50 ☐ 51 ☐ 52 ☐ 53 ☐ 54 ☐ 55 ☐ 56 ☐ 57 ☐ 58 ☐ 59 ☐ 60 ☐ 61 ☐ 62 ☐ 63 ☐ 64 ☐ 65 ☐ 66 ☐ 67 ☐ 68 ☐ 69 ☐ 70 ☐ 71 ☐ 72 ☐ 73 ☐ 74 ☐ 75 ☐ 76 ☐ 77 ☐ 78 ☐ 79 ☐ 80 ☐ 81 ☐ 82 ☐ 83 ☐ 84 ☐ 85 ☐ 86 ☐ 87 ☐ 88 ☐ 89 ☐ 90 ☐ 91 ☐ 92 ☐ 93 ☐ 94 ☐ 95 ☐ 96 ☐ 97 ☐ 98 ☐ 99 ☐ 100 ☐ 101 ☐ 102 ☐ 103 ☐ 104 ☐ 105 ☐ 106 ☐ 107 ☐ 108 ☐ 109 ☐ 110 ☐ 111 ☐ 112 ☐ 113 ☐ 114 ☐ 115 ☐ 116 ☐ 117 ☐ 118 ☐ 119 ☐ 120 ☐ 121 ☐ 122 ☐ 123 ☐ 124 ☐ 125 ☐ 126 ☐ 127 ☐ 128 ☐ 129 ☐ 130 ☐ 131 ☐ 132 ☐ 133 ☐ 134 ☐ 135 ☐ 136 ☐ 137 ☐ 138 ☐ 139 ☐ 140 ☐ 141 ☐ 142 ☐ 143 ☐ 144 ☐ 145 ☐ 146 ☐ 147 ☐ 148 ☐ 149 ☐ 150 ☐ 151 ☐ 152 ☐ 153 ☐ 154 ☐ 155 ☐ 156 ☐ 157 ☐ 158 ☐ 159 ☐ 160 ☐ 161 ☐ 162 ☐ 163 ☐ 164 ☐ 165 ☐ 166 ☐ 167 ☐ 168 ☐ 169 ☐ 170 ☐ 171 ☐ 172 ☐ 173 ☐ 174 ☐ 175 ☐ 176 ☐ 177 ☐ 178 ☐ 179 ☐ 180 ☐ 181 ☐ 182 ☐ 183 ☐ 184 ☐ 185 ☐ 186 ☐ 187 ☐ 188 ☐ 189 ☐ 190 ☐ 191 ☐ 192 ☐ 193 ☐ 194 ☐ 195 ☐ 196 ☐ 197 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Form 1040, Schedules 1, 2, and 3

2018 – TCJA eliminated Forms 1040A and 1040-EZ and brought us the “postcard Form 1040” with six separate pages of Schedules (1 – 6).

2019 – “postcard Form 1040” becomes larger with separate lines for more items.

2020 – Schedules are reduced from six to three single page Schedules (1 – 3).

2021 – Form 1040 is no longer a postcard and Schedules (1 – 3), each expanded to two pages.

2022 – Form 1040 and the three Schedules (1 – 3) are expanded to include separate lines for almost everything previously reported on the “Other” line.

Form 1040, Schedules 1, 2, and 3

2023 – First time since 2017, **no significant changes** to the Form 1040

- Fiscal Year entry space has been **restored**.
- Filing status checkbox moved to **below** the Heading Information.
- Digital asset question no longer includes language regarding disposing of the asset by **gift**.

Form 1040, Schedules 1, 2, and 3

**Form 1040, Schedule 1 – Additional Income and Adjustment to Income –
No Change in 2023.**

Form 1040, Schedule 2 – Additional Taxes – No Change in 2023.

Form 1040, Schedules 1, 2, and 3

Schedule 3- Additional Credits and Payments – **Three changes.**

- **Line 5** for Residential Energy Credits has been divided into 5a and 5b.
- **Line 6m** has been added to report the Credit for Previously Owned Clean Vehicles (**new credit** reported on Form 8936).
- **Line 13C** has been changed to reflect the **new provision** of Elective Payment Election Amounts from Form 3800.

2023-24

CPI ADJUSTMENTS / NEW PROVISIONS

Tax Brackets – 2023

Under Tax Cuts and Jobs Act, the tax brackets adjusts yearly based on the changes in the previous year over year C-CPI.

The adjustment period for 2023 tax brackets was **October 1, 2021 – September 30, 2022**. The inflation for that time was 7.1% and the 2023 tax brackets reflect this adjustment. **This the largest CPI adjustment in decades.**

The increase for 2024 will likely will 5.4% but it has not yet been announced by the IRS.

Tax Brackets – 2023

So, what does this CPI adjustment to the brackets mean for taxpayers?

For Taxpayer's in the 10% or 12% brackets with comparable income in 2022 and 2023 – a **small dollar amount reduction** in year over year tax liability.

For Taxpayer's in the 22% through 37% brackets with comparable income in 2022 and 2023 – they will see a **larger reduction** in year over year liability.

Earned Income Tax Credit – Investment Income

Taxpayers cannot claim the earned income credit when they have investment income that exceeds an annual limit.

In 2021, the investment income limitation was significantly increased to \$10,000.

- This was a permanent change to EITC, and the \$10,000 amount is adjusted in future years based on the CPI.
- For 2022, the investment income limitation was \$10,300
- **For 2023, the investment income limitation is \$11,000**

Child Tax Credit – 2023

Under Tax Cuts and Jobs Act, the refundable amount of the Child Tax Credit adjusts yearly in \$100 increments based on the C-CPI. (The non-refundable CTC of \$2,000 does not adjust.)

Due to inflation, the refundable amount increases this year to **\$1,600** (up from \$1,500 for 2022 and \$1,400 for 2018-2020).

It will most likely will increase again in 2024 to \$1,700

Child Tax Credit – Puerto Rico

For 2023 – residents of Puerto Rico have the same eligibility requirements for claiming the Additional Child Tax Credit as Mainland filers.

Puerto Rico residents must file **1040-SS or 1040-SS (sp)** to claim the ACTC and have the same earned income requirements (paid Social Security Taxes, Medicare and/or SE Tax). **Form 1040-PR has been retired.**

Puerto Rico residents have the same calculation for the refundable Additional Child Tax Credit of **15% of taxable earned income over \$2,500.**

2023-24

NEW PROVISIONS

Premium Tax Credit - Form 8962

Part of Covid relief, the Premium Tax Credit was enhanced for 2021 and 2022. **Inflation Reduction Act extends these provisions by three years (through 2025).**

- Households with income **no higher than 150% of FPL** receive a subsidy of **100% of the Second Lowest Cost Silver Plan (SLCSP)**.
- Households between 150% and 400% receive enhanced subsidies.
- Households above 400% spend no more than **8.5%** of their Household Income if they bought the SLCSP.

New Exceptions to 10% Penalty

A 10% penalty is normally assessed on Form 5329 on **early distributions** from qualified plans/IRA's unless the taxpayer qualified for an **exception** to the penalty.

- Private Sector Firefighters
- Public Safety Officers
- State and Local Government Correction Officers
- Terminally ill individuals
- Corrective distributions of excess contributions

Required Minimum Distributions (RMDs)

Participants who reached **age 72** in **2022** should have taken their 2022 RMD by April 15, 2023, and their second RMD by December 31, 2023.

Under the Secure 2.0 Act, beginning in 2023, the age for taking RMDs has been raised to age 73. It will rise to age 75 for anyone born in 1960 or later.

Participants who reach age **72** in **2023** their first RMD will not occur until 2024, the year the participant reaches 73.

Required Minimum Distributions (RMDs)

SECURE 2.0 Act also drops the excise tax rate from **50% to 25%** for failing to take the RMD.

Additionally, the excess tax can be reduced to **10%** if the **RMD is taken within two years**.

The penalty **may be waived in its entirety** if the account owner establishes that the shortfall in distributions was due to reasonable error and that reasonable steps are being taken to remedy the shortfall.

Bonus Depreciation – 2023

Under Tax Cuts and Jobs Act, Taxpayers were permitted to elect bonus depreciation at **100% of the property's acquisition cost**.

- Property had to be subject to Modified Accelerated Cost Recovery System (MACRS) and have a recovery period of **twenty years or less**.
- **For 2023, the bonus depreciation percentage for such property is 80%.**
- Bonus Depreciation will be reduced by 20% each year after 2023 until it is eliminated as a deduction at the end of 2026.

Meals Deduction – 2023

In 2022, Taxpayers could deduct 100% of the cost of business meals purchased from a restaurant or food deliveries from a restaurant or catering service.

In 2023, Taxpayers can only deduct 50% of the cost of business meals.

2023-24

NEW TAXES IN 2023

New Taxes

Alternative Corporate Minimum Tax.

Beginning in 2023 certain C Corporations will pay a minimum tax of 15% on the income that is reported to investors.

This new tax is the largest revenue generator in the Inflation Reduction Act.

This is not something that TaxSlayer will support in our business program.

New Taxes

Alternative Corporate Minimum Tax –Requirements

1. Only applies to Corporations that report their income to investors (basically SEC regulated).
2. Have reported over a three-year period annual net income in excess of **\$1 billion** (or **\$100 million** for U.S. subsidiaries of foreign parents).
3. Tax is the difference between 15% of the adjusted financial statement income and regular tax calculated after foreign tax credits.

New Taxes

Alternative Corporate Minimum Tax.

368 companies have reported annual average net income in excess \$1 billion (or \$100 million for U.S. subsidiaries of foreign based corporations) for the three-year period of 2018 – 2020.

- **241 paid more** than required 15%
- **127 paid less** than the required 15% rate (ex. – Amazon, FedEx, & Nike)

CBO estimates that less than 150 companies will be impacted

2023-24

NEW CREDITS IN 2023

New Credits – Residential Energy

Residential Energy Credits

Inflation Reduction Act extended and expanded the credits currently claimed on **Form 5695 – Residential Energy Credits** through **2034**.

- Non-business Energy Property Credit is now the **Energy Efficient Property Credit**. This credit expired in 2021 but was resurrected and extended with the Inflation Reduction Act.
- Residential Energy Efficiency Property Credit is now the **Residential Clean Energy Credit**, and it would have expired after 2022.

New Credits – Residential Energy

Energy Efficient Property Credit – Previously (2006-2022)

Non-refundable Credit for energy efficient improvements to the **Taxpayer's Main Home**.

- Maximum Lifetime Credit of **\$500** (2006-2022).
- **10%** of the costs of various items (doors, insulation, windows, roofing).
- Subject to other limits by category (\$200 for windows, \$150 for furnaces, etc.).

New Credits – Residential Energy

Energy Efficient Property Credit – Changes for 2023 - 2032

Key changes are the credit will be equal to **30%** of the costs of eligible home improvements to the taxpayer's **main home** which they **own** and **occupy** that are made during the year (**up from 10%**).

The **\$500 lifetime limit** on the total credit amount is replaced with a **\$1,200 annual limit**.

New Credits – Residential Energy

Energy Efficient Property Credit – Changes for 2023 - 2032

The annual limits for specific types of qualifying improvements will be:

- **\$150** for home energy audits (**up from \$50**).
- **\$250** for any exterior door (\$500 total for all exterior doors) that meet applicable Energy Star requirements

New Credits – Residential Energy

Energy Efficient Property Credit – Changes for 2023 - 2032

The annual limits for specific types of qualifying improvements will be:

- **\$600** for other qualified energy property, including air conditioners; electric panels and water heaters and furnaces.
- **\$600** for exterior windows and skylights that meet Energy Star most efficient certification requirements (**up from \$200 lifetime**).

New Credits – Residential Energy

Energy Efficient Property Credit – Changes for 2023 - 2032

The annual limits for specific types of qualifying improvements will be:

- **\$2,000** for heat pumps, heat pump water heaters, **biomass stoves**, and **biomass boilers**. This is a new category and additional amount.
- This category of improvement is **not limited by the \$1,200 annual limit** on total credits (taxpayers with both categories could claim up to **\$3,200**).

New Credits – Residential Energy

Energy Efficient Property Credit – Changes for 2024 - 2032

Starting in 2024 – To claim this credit the Taxpayer will need a **Product Identification Number** for each product and to include that information on the tax return.

New Credits – Residential Energy

The second credit is the Residential Clean Energy Credit –

This is a **nonrefundable credit** (but any unused amount **can be carried forward**) that a taxpayer can receive for installing the following systems on their properties, **including new construction**:

- Qualifying Solar Electric Systems
- Battery storage technology (new for 2023)
- Solar Water Heating Systems
- Wind Energy
- Geothermal Heat Pumps
- Qualified Fuel Cells

New Credits – Residential Energy

Residential Clean Energy Credit – Requirements

- The credit can only be claimed on the **taxpayer's primary residence**, and the taxpayer **does not have to own** the property (rented properties are eligible, but it must be the taxpayer's residence). The property also does not have to be a house (boats or mobile homes would qualify if that the residence).
- This credit can only be claimed **once** on a **primary residence**, but it can be claimed on additional properties if they subsequently become the taxpayer's primary residence.

New Credits – Residential Energy

Residential Clean Energy Credit – Requirements

- The credit can be claimed on an existing residence once the **installation is complete**.
- On **newly constructed property** (new home), the credit is claimed when the **installation is complete** or when the taxpayer takes **occupancy** **whichever is later**.
- Any credit claimed will **reduced the basis** of the home.

New Credits – Residential Energy

Residential Clean Energy Credit – Requirements

- There is **no AGI limitation** on this credit, and the amount of the credit is **not capped**, except on fuel cells which is limited to \$500 for each one-half kilowatt of capacity of the property.

New Credits – Residential Energy

Residential Clean Energy Credit – Changes for 2023 – 2034

Starting in 2023 – This credit will include expenditures for **Batteries** used to store the electricity generated from these energy producing systems, but it will **no longer include Biomass Systems**.

- **2023 – 2032** – The credit is **30%** of the costs of installing these systems.
- **2033** – The credit will be reduced to **26%**.
- **2034** – The credit will be reduced to **22%**.

New Credits – Clean Vehicles

Electric Vehicle Credit – 2022 Clean Vehicle Credit

This **non-refundable credit** was reported on **Form 8936** and any unused portion of the credit **cannot be carried forward**. This credit **has been available since 2011** but was significantly limited in recent years.

- The credit starts at **\$7,500** and the amount of the credit is reduced in stages (\$3,750 - \$1,875) until 200,000 vehicles of each model are sold.
- In 2022, no Tesla or GM and only certain Toyotas qualified for the credit due to the quotas being exceeded.

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 – New Vehicles

1. The final assembly of the vehicle must occur in **North America**.
2. Quotas have been eliminated – making models manufactured by **GM, Tesla and Toyota eligible**.
3. The credit is a maximum of **\$7,500** consisting of two parts:
 - a. \$3,750 for meeting certain manufacturing criteria
 - b. \$3,750 for meeting certain battery component criteria

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 – New Vehicles

1. The credit is now limited to Taxpayers with income threshold of **\$150,000** for a single filing taxpayer, **\$225,000** for HOH and **\$300,000** for joint filers.
2. The credit is only available on vehicles with a manufacturer suggested retail price of **\$55,000** for new cars and **\$80,000** for pickup trucks, SUVs, and vans

New Credits – Clean Vehicles

Electric Vehicle Credit for 2024 through 2032 – New Vehicles

1. Starting in **2024** at least **40% of the battery components** must come from North America or specified US Trading Partners. This rises to 100% by 2029.
2. The credit can be **advanced at the point of sale** and paid directly to the seller, but it will need to be reconciled on the tax return as a non-refundable credit. Any **excess advance credit will need to be repaid**.

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 – Used Vehicles

1. Used Electric Vehicles are eligible for a credit of **30% of sales price up to a maximum of \$4,000**
2. Vehicle must be **at least two years old** and have eligible VIN.
3. Vehicle must be sold through a dealer – **no private sales.**

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 – Used Vehicles

1. The credit is only available on vehicles sold for **\$25,000 or less**.
2. Taxpayer's **income level must be no greater than \$75,000** for single filers, **\$112,500** for HOH, and **\$150,000** for joint filers.
3. **No credit was previously claimed** for the vehicle's VIN.

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 through 2032 – Commercial Clean Vehicles

Starting in **2023** businesses (**including tax-exempt entities**) that purchase qualified commercial clean vehicles can claim a maximum credit of **\$7,500** for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds (passenger vehicles).

The credit is up to **\$40,000** for all other vehicles (trucks, buses, etc.).

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 through 2032 – Commercial Clean Vehicles

This credit is reported on Schedule 1 (Form 8936-A) and will flow to Form 3800.

- Partnerships/S-Corporations will report this on the Schedule K-1 as an “Other Credit” and it will flow directly to the Form 3800 on the individual return and the individual taxpayer will not complete Schedule 1 (Form 8936-A).

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 through 2032 – Commercial Clean Vehicles

There is **no limit** on the number of credits that a business or tax-exempt entity can claimed, but the credit is non-refundable but can be carried over on Form 3800 unless the taxpayer makes an “elective payment election”.

Most non-profits (other than co-operatives) and governmental entities will qualify for this credit.

If the tax-exempt entity does not file a tax return (990T) it will have to submit Form 3800 to receive this payment.

New Credits – Clean Vehicles

Electric Vehicle Credit for 2023 through 2032 – Commercial Clean Vehicles

The credit is **30%** of the incremental cost of the vehicle (**15%** if powered by also gas or diesel) over the cost of a comparable vehicles powered solely by a gas or diesel engine.

- For 2023 there is a safe harbor that the IRS will accept the use of \$7,500 as the incremental cost for all street vehicles.
- IRS will also accept DOE's determination of the Incremental Purchase Cost for Clean Vehicles available at DOE's webpage.

Form 3800

Form 3800 – General Business Credits

There has been a **significant change in Form 3800** due to taxpayers now being allowed (including tax-exempt entities) to make an **elective payment election** for applicable credits rather than carryover towards some future tax liability.

- Twelve General Business Credits qualify for this treatment.

Form 3800

Form 3800 – General Business Credits

1. Energy Credit, (Form 3468, Part VI)
2. Clean Electricity Investment Credit, (Form 3468, Part V)
3. Renewable Electricity Production Credit, (Form 8835, Part II)
4. Clean Electricity Production Credit (45Y)
5. Commercial Clean Vehicle Credit, (Form 8936, Part V) – **New in 2023**
6. Zero-emission Nuclear Power Production Credit, (Form 7213, Part II) – **New in 2023**

Form 3800

Form 3800 – General Business Credits

1. Advanced Manufacturing Production Credit (Form 7207) – **new for 2023**
2. Clean Hydrogen Production Credit (Form 7210) – **new for 2023.**
3. Clean Fuel Production Credit – **was set to expire in 2022 but extended.**
4. Carbon Oxide Sequestration Credit, (Form 8933) – **new for 2023**
5. Credit for Alternative Fuel Vehicle Refueling / Recharging Property, (Part 8911, Part II) – **was set to expire in 2022 but extended.**
6. Qualifying Advanced Energy Project Credit, (Form 3468, Part III)

2023-24

FORM 1099-K – BACKGROUND INFORMATION

Discussion Topics – Form 1099-K

1. Background on Form 1099-K and perspective on how we got here.
2. Review the income tax implications involving various 1099-K scenarios.
3. Provide practical reporting guidance on anticipated Form 1099-K scenarios.

☐ CORRECTED (if checked)

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 Form 1099-K (Rev. January 2022) For calendar year 20 ____	Payment Card and Third Party Network Transactions	
		PAYEE'S TIN			
		1a Gross amount of payment card/third party network transactions \$			
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"/>		1b Card Not Present transactions \$	2 Merchant category code	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.	
		3 Number of payment transactions	4 Federal income tax withheld \$		
PAYEE'S name		5a January \$	5b February \$		
		5c March \$	5d April \$		
Street address (including apt. no.)		5e May \$	5f June \$		
		5g July \$	5h August \$		
City or town, state or province, country, and ZIP or foreign postal code		5i September \$	5j October \$		
		5k November \$	5l December \$		
PSE'S name and telephone number		6 State	7 State identification no.		8 State income tax withheld \$
Account number (see instructions)					\$

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Background

Form 1099-K are sent to certain individuals that **receive** payment for **goods** or **services** through payment card processors or third-party networks.

☐ CORRECTED (if checked)

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 Form 1099-K (Rev. January 2022) For calendar year 20____	Payment Card and Third Party Network Transactions	
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		5c March \$	5d April \$		
		5e May \$	5f June \$		
PSE'S name and telephone number		5g July \$	5h August \$		
		5i September \$	5j October \$		
		5k November \$	5l December \$		
Account number (see instructions)		6 State	7 State identification no.		8 State income tax withheld \$
					\$

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Background

Form 1099-K is to be sent to **taxpayers** either by **mail** or **electronically** by January 31 of the year following the transactions.

Many taxpayers **will receive** Form 1099-K electronically based on how they set up their accounts. If you have provided your SSN, you have set up the account to receive a Form 1099-K.

☐ CORRECTED (if checked)

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 Form 1099-K (Rev. January 2022) For calendar year 20__	Payment Card and Third Party Network Transactions	
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Account number (see instructions)					\$

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Background

Form 1099-K reports payments and other electronic transfers of funds that are made through:

- Online Platforms
- Person-to-Person Apps
- Payment Card Processors.

☐ CORRECTED (if checked)

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 Form 1099-K (Rev. January 2022) For calendar year 20__	Payment Card and Third Party Network Transactions	
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		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) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Background

Personal transactions such as sending funds to friends and family members **should not** be reported on **Form 1099-K**.

Most Person-to-Person Application allow individuals to indicate when the transaction is personal which should help limit the number of individuals receiving these forms.

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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 Form 1099-K (Rev. January 2022) For calendar year 20____	Payment Card and Third Party Network Transactions	
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			5c March \$	5d April \$	
PSE'S name and telephone number			5e May \$	5f June \$	
			5g July \$	5h August \$	
Account number (see instructions)			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) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Background – Origins

Form 1099-K – Payment Card and Third Party Network Transactions

Form 1099-K were first authorized by Congress in **2008** as a response to the growth in **small businesses** accepting payments from platforms like Amazon and eBay.

Background – Origins

Form 1099-K – Payment Card and Third Party Network Transactions

Since 2012 (and through 2022) the requirements for a Form 1099-K were the following:

- \$20,000 in gross payments **and**
- 200 transactions

These requirements limited the volume of issued forms.

What's New

American Rescue Plan Act of 2021

The requirements for issuing a Form 1099-K were changed to the following (which are **currently** set to go into effect for 2023):

- The **dollar amount threshold** was lowered to **\$600**.
- The number of **transaction requirement** was **eliminated**.

Why the New Threshold?

What is driving this change?

First – since 2012 the growth in the gig economy and in person-to-person applications has been significant.

In **2023**, it is estimated that approximately **\$1 trillion** will be transacted through Venmo, Cash App and Apple Cash.

In **2012**, Venmo was being launched and neither Cash App or Apple Cash existed.

Why the New Threshold?

What is driving this change?

Second – the number of Americans that regularly use a P2P application to transact financial transfers has rapidly grown and has replaced more traditional financial methods.

- 64% of Americans 18 and older use at least one P2P app
- 81% of 18 to 29-year-olds use a P2P

Why the New Threshold?

What is driving this change?

Third – IRS announced on October 12, 2023, updated Tax Gap Projections.

- Projected annual Tax Gap for tax year 2021 has risen to **\$688 billion** which is an increase of \$192 billion from 2019.
- **Underreporting of income** was estimated to be **\$542 billion** which is an increase of \$98 billion from 2019.

2023-24

FORM 1099-K – TAX REQUIREMENTS

Income Tax Implication

There is NO CHANGE in the law as to what constitutes income or how any tax will be calculated on items reported on Form 1099-K.

The only thing changing for 2023 is the **threshold** for issuing a 1099-K.

Income Tax Implication

What is universally believed is the lower monetary and transaction thresholds **will result in the following:**

1. Many **more taxpayers will receive** a Form 1099-K this year, but how pervasive is not known.
2. It will capture **many transactions that previously went unreported** on tax returns.
3. It will require some additional time and due diligence for taxpayers and tax preparers.

Income Tax Implication

What are the Possible Tax Implications of Receiving a Form 1099-K?

There is no cookie cutter answer for where to report a Form 1099-K on the tax return, but it **MUST** be accounted for on the return.

There are **multiple different possibilities**, and it will require **information and records** from the taxpayer to understand where to report the 1099-K.

Income Tax Implication

What are the Possible Tax Implications of Receiving a Form 1099-K?

1. It is payment for **services** which makes it **business income**.

In this case, the taxpayers engaged in some type of **Section 162 trade or business**, and this amount would be included in gross income on **Schedule C** and allowable expenses could be taken.

This is commonly sent to individuals engaged in the Gig economy (Uber, Lyft and DoorDash drivers)

Tax Implication – Service Income

Recipients of Form 1099-K with Service Income

The filing threshold for a taxpayer with self-employment income is net earnings of **\$400**.

The lower threshold for Form 1099-K may result in many individuals (dependents claimed on another tax return) needing to file a tax return.

Examples – younger folks that babysit, mow yards, shovel snow, etc.

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could be reporting payment for some type of **goods or property**.

Instead of selling services, the individual is **regularly selling goods**. This also would be **business income** reported on Schedule C.

Example would be an individual regularly selling at a weekly farmer's market some **product** they produce. Here the income reported on the 1099-K would be added to gross receipts along with any cash sales, and all expenses could be deducted.

Tax Implication – Business Income

Business Income when selling goods/products

Whether the taxpayer with a 1099-K for selling some type of goods or property can treat it as business income and report it on Schedule C depends on if they can establish that they are an **IRC § 162 Trade or Business**.

This determination of a “trade or business” depends on the facts and circumstances.

Tax Implication – Business Income

Business Income when selling goods/products

The Supreme Court has interpreted “**trade or business**” for purposes of IRC § 162 to mean an activity conducted with “**continuity and regularity**” and with the primary purpose of earning income or **making profit**.

Caution: Many recipients of 1099-Ks with small dollar amounts and few transactions do not meet this definition.

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could be reporting **payment** for some type of **goods or property**.

It could be classified as **hobby income**. With hobby income, you **cannot deduct expenses** from the income only cost of goods sold.

Hobby income is reported on Schedule 1, Line 8 as **additional income**, and not on Schedule C.

Tax Implication – Hobby Income

There are nine things the IRS reviews to determine if it is Hobby Income

1. Does the taxpayer maintain accurate books and records
2. **Time and effort expended into the activity**
3. **Whether the taxpayer depends on the activity for their livelihood**
4. Are losses normal for a start up of business
5. Has the taxpayer modified operations to improve profitability
6. Does the taxpayer have the knowledge to carry out a business
7. Has the taxpayer been successful in the past with similar activities
8. Have they made a profit in some years
9. Do they expect to make a profit in future years

Tax Implication – Hobby Income

If the IRS questions the classification of the activity as a business verses a hobby, you could receive the following form:

Form 11652 – Questionnaire and Supporting Documentation – Form 1040 Schedule C

Form 11652 (January 2021)		Department of the Treasury - Internal Revenue Service Questionnaire and Supporting Documentation Form 1040 Schedule C (Profit or Loss from Business)	
<p>This questionnaire lists the types of records you need to send us to prove your Schedule C income and expenses. The law requires you to keep adequate records to complete your Schedule C. Please review each line of this questionnaire and answer every question. Return the questionnaire along with copies of your supporting documents.</p> <p>Note: Failure to complete all parts of this questionnaire and submit the supporting documentation can delay the examination of your return and the final determination of your tax liability.</p>			
Name		Social Security Number	
Business address		Year business started	
Telephone Number	Business website (if applicable)		
1. Provide a description of your business (type of work, product sold, service provided, hours of operation, where business is conducted, etc.)			
2. Provide a copy of your business license or permit if applicable			
3. How do you advertise your business? If you pay for advertisement, submit copies of receipts or other proof of payment			
4. Did you file state or local sales tax returns for the year <input type="checkbox"/> Yes (provide copies) <input type="checkbox"/> No <input type="checkbox"/> Not applicable			
5. Did you receive Forms 1099-MISC, 1099-NEC or 1099-K for the income reported <input type="checkbox"/> Yes (provide copies) <input type="checkbox"/> No			
6. Provide copies of records to support the business income reported for any income you received not included on a Form 1099. Check all boxes that apply (below references are intended to be illustrative and don't constitute government endorsement of any private product, service, entity, or enterprise)			
<input type="checkbox"/> Business/Personal bank account statements with business income highlighted			
<input type="checkbox"/> Accounting records (e.g., QuickBooks, Peachtree)			
<input type="checkbox"/> Electronic payment records (e.g., Apple Pay, PayPal, Zelle, Cash App)			
<input type="checkbox"/> Logbooks/Ledgers			
<input type="checkbox"/> Invoices/Receipts issued to customers for goods and services			
<input type="checkbox"/> Other			
7. Provide copies of records to support the business expenses reported. Check all boxes that apply (below references are intended to be illustrative and don't constitute government endorsement of any private product, service, entity, or enterprise)			
<input type="checkbox"/> Invoices/Receipts received from suppliers for goods and services purchased			
<input type="checkbox"/> Rental Contracts			
<input type="checkbox"/> Business insurance contracts			
<input type="checkbox"/> Electronic payment records (e.g., Apple Pay, PayPal, Zelle, Cash App) with expenses highlighted			
<input type="checkbox"/> Mileage log and receipts for actual car/truck expenses			
<input type="checkbox"/> Bank/Credit card statements with expenses highlighted			
<input type="checkbox"/> Other			
Information about Schedule C can be found in IRS Publication 334, Tax Guide for Small Business, and Publication 583, Starting a Business and Keeping Records. These publications can be downloaded from www.irs.gov/forms or can be requested by calling 800-TAX-FORM (800-829-3676).			
For Paperwork Reduction Act Notice, see the Schedule C Instructions.			
Catalog Number 25988D		www.irs.gov	
		Form 11652 (Rev. 1-2021)	

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could be reporting **payment** for some type of **goods or property**.

It could be a **sale of personal property** which is a **capital transaction** reported on Form 8949 & Schedule D.

Examples are selling items online through sites like Facebook Marketplace or eBay or reselling tickets on Ticketmaster or Stub Hub.

Tax Implication – Sale of Personal Property

Tax rules for selling personal items or reselling items:

Selling personal property at a **gain is taxable income** and would be considered a **short- or long-term capital gain** depending on how long the taxpayer owned the property.

Selling personal property at a **loss is not deductible** but you would still need to report the transaction on the return as a non-deductible loss since you must account for the 1099-K.

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could be **rental income**.

This would occur when tenants are using some third-party app to pay their rent to a landlord or vacation rentals (Airbnb) which make it reportable on Schedule E.

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could contain **nontaxable items**.

This would occur when the Form 1099-K contains transactions that are personal and should not have been reported on Form 1099-K or the **1099-K was received in error**.

Nontaxable transactions would be reported first as Additional Income (Schedule 1, Line 8) and second as an Adjustment to Income (Schedule 1, Line 25).

Income Tax Implication

What are the Possible Implications of Receiving a Form 1099-K?

1. It could contain a **combination of different types of activities** previously discussed.

This would occur when the taxpayer uses their Person-to-Person Application for personal transactions and business.

This **requires separating** the different types of transactions by type and reporting it appropriately in the different section of the return.

2023-24

FORM 1099-K – REPORTING SCENARIOS

Business Income

The first **Form 1099-K** is for a taxpayer in the gig economy.

This is a **typical service business** which will be entered on Schedule C with normal expenses allowed associated with this business activity.

This is what we are used to entering.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205	Payment Card and Third Party Network Transactions
Uber 124 Main Street Anywhere, GA 770-555-6666		PAYEE'S TIN XXX-XX-XXXX	Form 1099-K (Rev. January 2022)	
		For calendar year 20 23		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	1a Gross amount of payment card/third party network transactions \$ 725.00	2 Merchant category code
		1b Card Not Present transactions \$ 123	3 Number of payment transactions 123	4 Federal income tax withheld \$
PAYEE'S name		5a January \$	5b February \$	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
Swiftie Taxpayer Street address (including apt. no.)		5c March \$ 1105	5d April \$ 1330	
		5e May \$ 940	5f June \$ 1105	
1 Home Street City or town, state or province, country, and ZIP or foreign postal code		5g July \$ 977	5h August \$ 1222	
		5i September \$ 1151	5j October \$ 1355	
PSE'S name and telephone number		5k November \$ 1844	5l December \$ 1667	
Facebook Marketplace 770-555-6666		6 State	7 State identification no.	
Account number (see instructions)			8 State income tax withheld	
987654321			\$	
			\$	
			\$	
			\$	

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Business Income

On a Schedule C you would be allowed to **deduct normal expenses** associated with this business activity, such as auto expenses (actual or the standard mileage allowance).

You would also expect to see bank fees (reported under Other) since most gig workers pay transaction fees associated with the payments.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.			
Name of proprietor SAMPLE TAXPAYER		Link: 5		Social security number (SSN)	
A Principal business or profession, including product or service (see instructions) TAXI AND LIMOUSINE SERVICE				B Enter code from instructions 4 8 5 3 0 0	
C Business name. If no separate business name, leave blank.				D Employer ID number (EIN) (see instr.)	
E Business address (including suite or room no.) 1 HOME STREET City, town or post office, state, and ZIP code AUGUSTA GA 30909					
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify)					
G Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
H If you started or acquired this business during 2023, check here		<input type="checkbox"/>			
I Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
J If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Part I Income					
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>		1		12696	
2 Returns and allowances		2			
3 Subtract line 2 from line 1		3		12696	
4 Cost of goods sold (from line 42)		4			
5 Gross profit. Subtract line 4 from line 3		5		12696	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6			
7 Gross income. Add lines 5 and 6		7		12696	
Part II Expenses. Enter expenses for business use of your home only on line 30.					
8 Advertising		8		18 Office expense (see instructions)	
9 Car and truck expenses (see instructions)		9 2293		19 Pension and profit-sharing plans	
10 Commissions and fees		10		20 Rent or lease (see instructions):	
11 Contract labor (see instructions)		11		a Vehicles, machinery, and equipment	
12 Depletion		12		b Other business property	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)		13		21 Repairs and maintenance	
14 Employee benefit programs (other than on line 19)		14		22 Supplies (not included in Part III)	
15 Insurance (other than health)		15		23 Taxes and licenses	
16 Interest (see instructions):		16a		24 Travel and meals:	
a Mortgage (paid to banks, etc.)		16b		a Travel	
b Other		17		b Deductible meals (see instructions)	
17 Legal and professional services				25 Utilities	
28 Total expenses before expenses for business use of home. Add lines 8 through 27b		28		26 Wages (less employment credits)	
29 Tentative profit or (loss). Subtract line 28 from line 7		29		27a Other expenses (from line 48)	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30		30		27b Energy efficient commercial bldgs deduction (attach Form 7205)	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions.) Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.		31		32a <input type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.	
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.					
For Paperwork Reduction Act Notice, see the separate instructions.					
Schedule C (Form 1040) 2023					

Hobby Income

The second **Form 1099-K** is for a taxpayer engaged in a hobby.

This taxpayer sold Halloween Decorations on Etsy.

The taxpayer made these decorations in the evening as a hobby and had no intention of starting a business.

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	
Etsy 124 Main Street Anywhere, GA 770-555-6666		XX-XXXXXX	Form 1099-K (Rev. January 2022)	
		PAYEE'S TIN		
		XXX-XX-XXXX	For calendar year 20 23	
		1a Gross amount of payment card/third party network transactions \$ 3058		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		1b Card Not Present transactions \$ 153	2 Merchant category code	
Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>		3 Number of payment transactions	4 Federal income tax withheld \$	
PAYEE'S name Hobby Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908 PSE'S name and telephone number Etsy 770-555-6666 Account number (see instructions) 987654321		5a January \$	5b February \$	
		5c March \$	5d April \$	
		5e May \$	5f June \$	
		5g July \$	5h August \$	
		5i September \$ 1223	5j October \$ 1835	
		5k November \$	5l December \$	
		6 State	7 State identification no.	8 State income tax withheld \$
				\$
				\$
				\$
				\$

Hobby Income

The taxpayer has the following transactions:

- \$3058 Gross Payments
- \$1500 in materials
- \$300 in shipping costs
- \$61 in fees charged by Etsy
- 300 miles driving to and from the Post Office to ship the items.

How do we enter this?

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
Etsy 124 Main Street Anywhere, GA 770-555-6666		XX-XXXXXX	Form 1099-K (Rev. January 2022)
		PAYEE'S TIN	
		XXX-XX-XXXX	For calendar year 20 23
		1a Gross amount of payment card/third party network transactions \$ 3058	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		1b Card Not Present transactions \$ 153	2 Merchant category code
Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>		3 Number of payment transactions	4 Federal income tax withheld \$
PAYEE'S name Hobby Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		5a January \$	5b February \$
		5c March \$	5d April \$
		5e May \$	5f June \$
		5g July \$	5h August \$
PSE'S name and telephone number Etsy 770-555-6666		5i September \$ 1223	5j October \$ 1835
		5k November \$	5l December \$
Account number (see instructions) 987654321		6 State	7 State identification no.
			8 State income tax withheld \$
			\$

Hobby Income

The taxpayer has the following transactions:

- **\$3058 Gross Payments**
- **\$1500 in materials**
- ~~\$300 in shipping costs~~
- ~~\$61 in fees charged by Etsy~~
- ~~300 miles driving to and from the Post Office to ship the items.~~

These are the only relevant items.

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
Etsy 124 Main Street Anywhere, GA 770-555-6666		XX-XXXXXX	Form 1099-K (Rev. January 2022)
		PAYEE'S TIN	
		XXX-XX-XXXX	For calendar year 20 23
		1a Gross amount of payment card/third party network transactions \$ 3058	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		1b Card Not Present transactions \$ 153	2 Merchant category code
Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>		3 Number of payment transactions	4 Federal income tax withheld \$
PAYEE'S name Hobby Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		5a January \$	5b February \$
		5c March \$	5d April \$
		5e May \$	5f June \$
		5g July \$	5h August \$
PSE'S name and telephone number Etsy 770-555-6666		5i September \$ 1223	5j October \$ 1835
		5k November \$	5l December \$
Account number (see instructions) 987654321		6 State	7 State identification no.
			8 State income tax withheld \$
			\$

Hobby Income

As Hobby Income it is not entered on Schedule C, but as Other Income.

Tax Cuts and Jobs Act eliminated the ability to deduct the expenses related to hobby income. The only reduction is Costs of Goods Sold.

Here the Hobby Income of **\$1558** is entered (Gross Payments of \$3058 less \$1500 in materials)

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074
2023
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR
SAMPLE TAXPAYER

Your social security number

Part I

Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions): _____		
3	Business income or (loss). Attach Schedule C	3	
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Income from Form 8853	8e	
f	Income from Form 8889	8f	
g	Alaska Permanent Fund dividends	8g	
h	Jury duty pay	8h	
i	Prizes and awards	8i	
j	Activity not engaged in for profit income	8j	
k	Stock options	8k	
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l	
m	Olympic and Paralympic medals and USOC prize money (see instructions)	8m	
n	Section 951(a) inclusion (see instructions)	8n	
o	Section 951A(a) inclusion (see instructions)	8o	
p	Section 461(l) excess business loss adjustment	8p	
q	Taxable distributions from an ABLE account (see instructions)	8q	
r	Scholarship and fellowship grants not reported on Form W-2	8r	
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s	()
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t	
u	Wages earned while incarcerated	8u	
z	Other income. List type and amount: _____ FORM 1099K HOBBY INCOME	8z	1558
9	Total other income. Add lines 8a through 8z	9	1558
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	1558

For Paperwork Reduction Act Notice, see your tax return instructions.
QNA

Schedule 1 (Form 1040) 2023

Sale of Personal Property – Gain

The second **Form 1099-K** reflects a re-sale of 4 concert tickets for \$800 a ticket on Ticketmaster.

This is a **short-term capital gain** transaction which will be entered on Form 8949.

The issue here will be calculating cost/basis.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. TicketMaster 123 Main Street Anywhere, GA 770-555-5555		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205 Form 1099-K (Rev. January 2022)	Payment Card and Third Party Network Transactions	
PAYEE'S TIN XXX-XX-XXXX		1a Gross amount of payment card/third party network transactions \$ 3600.00	For calendar year 20 23		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	1b Card Not Present transactions \$ 2	2 Merchant category code 7922	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
PAYEE'S name Swiftie Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		3 Number of payment transactions 2	4 Federal income tax withheld \$		
PSE'S name and telephone number TicketMaster 770-555-5555		5a January \$	5b February \$		
Account number (see instructions) 0123456789		5c March \$	5d April \$		
		5e May \$	5f June \$ 3600.00		
		5g July \$	5h August \$		
		5i September \$	5j October \$		
		5k November \$	5l December \$		
		6 State 0123456789	7 State identification no. \$	8 State income tax withheld \$	
				\$	

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Sale of Personal Property – Gain

What will be the basis for this sale?

1. Original purchase price, plus transaction fees.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. TicketMaster 123 Main Street Anywhere, GA 770-555-5555		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205 Form 1099-K (Rev. January 2022) For calendar year 20 23	Payment Card and Third Party Network Transactions
PAYEE'S TIN XXX-XX-XXXX		1a Gross amount of payment card/third party network transactions \$ 3600.00	1b Card Not Present transactions \$ 2	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	2 Merchant category code 7922	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
PAYEE'S name Swiftie Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		3 Number of payment transactions 2	4 Federal income tax withheld \$	
PSE'S name and telephone number TicketMaster 770-555-5555		5a January \$	5b February \$	
Account number (see instructions) 0123456789		5c March \$	5d April \$	
		5e May \$	5f June \$ 3600.00	
		5g July \$	5h August \$	
		5i September \$	5j October \$	
		5k November \$	5l December \$	
		6 State 0123456789	7 State identification no. \$	
			8 State income tax withheld \$	

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Sale of Personal Property – Gain

What will be the basis for this sale?

1. Original purchase price, plus transaction fees.
2. The transaction costs associated with the resale. **Note** this amount may be included in the gross amount of the payments.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. TicketMaster 123 Main Street Anywhere, GA 770-555-5555		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205	Payment Card and Third Party Network Transactions	
		PAYEE'S TIN XXX-XX-XXXX	Form 1099-K (Rev. January 2022)		
		1a Gross amount of payment card/third party network transactions \$ 3600.00	For calendar year 20 23		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	1b Card Not Present transactions \$ 2	2 Merchant category code 7922	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
		3 Number of payment transactions 2	4 Federal income tax withheld \$		
PAYEE'S name Swiftie Taxpayer Street address (including apt. no.)		5a January \$	5b February \$		
		5c March \$	5d April \$		
		5e May \$	5f June \$ 3600.00		
1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		5g July \$	5h August \$		
PSE'S name and telephone number TicketMaster 770-555-5555		5i September \$	5j October \$		
		5k November \$	5l December \$		
Account number (see instructions) 0123456789		6 State	7 State identification no.		
			8 State income tax withheld \$		

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Sale of Personal Property – Gain

Here is the Form 8949 entries.

Column (d) reflects the Gross Sales Price for the tickets (\$3,000).

Column (e) reflects the calculated basis/cost (\$955).

Column (h) reflects the calculated **gain (\$2,645)**.

Form 8949 Department of the Treasury Internal Revenue Service	Sales and Other Dispositions of Capital Assets File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D. Go to www.irs.gov/Form8949 for instructions and the latest information.	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold;">2023</div> Attachment Sequence No. 12A				
Name(s) shown on return SAMPLE TAXPAYER		Social security number or taxpayer identification number 123-45-6789				
<p><i>Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.</i></p>						
<div style="background-color: #f0f0f0; padding: 5px;"> Part I Short-Term. Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2. Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions). </div>						
<p>You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.</p>						
<div style="margin-bottom: 10px;"> <input type="checkbox"/> (A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above) </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> (B) Short-term transactions reported on Form(s) 1099-B showing basis wasn't reported to the IRS </div> <div> <input checked="" type="checkbox"/> (C) Short-term transactions not reported to you on Form 1099-B </div>						
1 <div style="text-align: center;"> (a) Description of property (Example: 100 sh. XYZ Co.) </div>	<div style="text-align: center;"> (b) Date acquired (Mo., day, yr.) </div>	<div style="text-align: center;"> (c) Date sold or disposed of (Mo., day, yr.) </div>	<div style="text-align: center;"> (d) Proceeds (sales price) (see instructions) </div>	<div style="text-align: center;"> (e) Cost or other basis See the Note below and see <i>Column (e)</i> in the separate instructions. </div>	<div style="text-align: center;"> Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions. </div>	<div style="text-align: center;"> (h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g). </div>
TAYLOR SWIFT TICKETS	03/15/2023	06/25/2023	3600	955		2645

Sale of Personal Property – Loss

The third **Form 1099-K** reflects a sale of 2 personal items for \$725 on Facebook Marketplace.

First item is a used set of drums which originally cost \$650 but was sold at a loss for \$380.

Second item was an item of furniture that cost \$1,400 but was sold at a loss for \$345.

<input type="checkbox"/> CORRECTED (if checked)		Payment Card and Third Party Network Transactions	
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Facebook Marketplace 124 Main Street Anywhere, GA 770-555-6666		FILER'S TIN <div style="border: 1px solid black; text-align: center;">XX-XXXXXX</div> PAYEE'S TIN <div style="border: 1px solid black; text-align: center;">XXX-XX-XXXX</div> 1a Gross amount of payment card/third party network transactions \$ 725.00	OMB No. 1545-2205 Form 1099-K (Rev. January 2022) For calendar year 20 <u>23</u>
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	
PAYEE'S name Swiftie Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908 PSE's name and telephone number Facebook Marketplace 770-555-6666		1b Card Not Present transactions \$ 2 3 Number of payment transactions <div style="border: 1px solid black; text-align: center;">2</div>	2 Merchant category code <div style="border: 1px solid black; text-align: center;">Federal income tax withheld</div>
PSE's name and telephone number Facebook Marketplace 770-555-6666		4 Federal income tax withheld \$ 380.00	
Account number (see instructions) 987654321		5a January \$ 345.00 5b February \$ 345.00 5c March \$ 345.00 5d April \$ 345.00 5e May \$ 345.00 5f June \$ 345.00 5g July \$ 345.00 5h August \$ 345.00 5i September \$ 345.00 5j October \$ 345.00 5k November \$ 345.00 5l December \$ 345.00	
State <div style="border: 1px solid black; text-align: center;">State</div>		6 State <div style="border: 1px solid black; text-align: center;">State</div>	
State identification no. <div style="border: 1px solid black; text-align: center;">State</div>		7 State identification no. <div style="border: 1px solid black; text-align: center;">State</div>	
State income tax withheld <div style="border: 1px solid black; text-align: center;">State</div>		8 State income tax withheld <div style="border: 1px solid black; text-align: center;">State</div>	

Sale of Personal Property – Loss

If there are **only losses** from the sale of personal items being reported on the **Form 1099-K**, the taxpayer has two options for reporting:

1. **Form 8949**
2. **Schedule 1**, Other Income with corresponding adjustment on Other Adjustments

Note: If some items sold for gains and others at a loss, then all should be reported on Form 8949.

<input type="checkbox"/> CORRECTED (if checked)		Payment Card and Third Party Network Transactions			
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Facebook Marketplace 124 Main Street Anywhere, GA 770-555-6666		FILER'S TIN <div style="border: 1px solid black; text-align: center;">XX-XXXXXX</div> PAYEE'S TIN <div style="border: 1px solid black; text-align: center;">XXX-XX-XXXX</div> <div> 1a Gross amount of payment card/third party network transactions \$ 725.00 </div> <div> 1b Card Not Present transactions \$ 2 </div> <div> 3 Number of payment transactions <div style="border: 1px solid black; text-align: center;">2</div> </div> <div> 5a January \$ 380.00 </div> <div> 5c March \$ 345.00 </div> <div> 5e May \$ 345.00 </div> <div> 5g July \$ 345.00 </div> <div> 5i September \$ 345.00 </div> <div> 5k November \$ 345.00 </div> <div> 6 State 987654321 </div>		OMB No. 1545-2205 Form 1099-K (Rev. January 2022) For calendar year 20 <u>23</u> 2 Merchant category code <div style="border: 2px solid black; padding: 5px;"> 4 Federal income tax withheld \$ 345.00 </div> <div> 5b February \$ 345.00 </div> <div> 5d April \$ 345.00 </div> <div> 5f June \$ 345.00 </div> <div> 5h August \$ 345.00 </div> <div> 5j October \$ 345.00 </div> <div> 5l December \$ 345.00 </div> <div> 7 State identification no. 987654321 </div>	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>			
PAYEE'S name Swiftie Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908 PSE's name and telephone number Facebook Marketplace 770-555-6666		8 State income tax withheld \$ 345.00			

Sale of Personal Property – Loss

Here is the Form 8949 entry

Column (d) reflects the Gross Sales Price for the items.

Column (e) reflects the basis.

Column (f) reflects the adjustment code “L” for a nondeductible loss.

[illegible]

Sale of Personal Property – Loss

Here are the Schedule 1 entries

The Income is reported on Line 8z, and a corresponding adjusting entry is made on Line 24z.

Both entries have the description that is “**Personal Items Sold at a Loss**” with the same amount of income/adjustment.

The effect is the entries offset.

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2023

Attachment
Sequence No. 01

Name(s) shown on Form 1040, 1040-SR, or 1040-NR
SAMPLE TAXPAYER

Your social security number

Part I

Additional Income

8

Other income:

z

Other income. List type and amount:

PERSONAL ITEMS SOLD AT LOSS 725

8z

725

9

Total other income. Add lines 8a through 8z

9

725

10

Combine lines 1 through 7 and 9. This is your additional income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8

10

725

Schedule 1 (Form 1040) 2023

Page 2

Part II

Adjustments to Income

24

Other adjustments:

z

Other adjustments. List type and amount:

PERSONAL ITEM SOLD LOSS, 725

24z

725

25

Total other adjustments. Add lines 24a through 24z

25

725

26

Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10

26

725

Sale of Personal Property – Gain or Loss

What happens when you cannot establish basis on these sales?

IRS states that “generally, you should keep accurate records for personal items you may sell. If your records are lost, destroyed, or are **not available** due to circumstances beyond your control and your return is audited, **examiners may allow you to present reconstructed records.**

Additionally, examiners **may accept oral testimony** when records do not exist.”

Received in Error

The fourth **Form 1099-K** reflects the reimbursement of \$900 from a friend for their share of some travel related expenses to rent an Airbnb.

This Form 1099-K **never should have been issued** since it not for the sale of goods or services, but reimbursement for personal expenses.

How do we handle this?

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205	Payment Card and Third Party Network Transactions	
Venmo 124 Main Street Anywhere, GA 770-555-6666		PAYEE'S TIN XXX-XX-XXXX	Form 1099-K (Rev. January 2022)		
		For calendar year 20 23			
1a Gross amount of payment card/third party network transactions \$ 900		1b Card Not Present transactions \$ 1	2 Merchant category code	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	3 Number of payment transactions 1		4 Federal income tax withheld \$
PAYEE'S name Traveler Taxpayer Street address (including apt. no.) 1 Home Street City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908 PSE'S name and telephone number Venmo 770-555-6666 Account number (see instructions) 987654321		5a January \$ 5c March \$ 5e May \$ 900.00 5g July \$ 5i September \$ 5k November \$	5b February \$ 5d April \$ 5f June \$ 5h August \$ 5j October \$ 5l December \$		
6 State 987654321		7 State identification no.	8 State income tax withheld \$		

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Received in Error

Step One – Contact the issuer and have the form corrected. **This may not be practical/realistic.** Imagine the volume of calls these Payors will receive after the 1099-Ks are sent.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Venmo 124 Main Street Anywhere, GA 770-555-6666		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205	Payment Card and Third Party Network Transactions	
		PAYEE'S TIN XXX-XX-XXXX	Form 1099-K (Rev. January 2022)		
		1a Gross amount of payment card/third party network transactions \$ 900	For calendar year 20 23		
		1b Card Not Present transactions \$ 1	2 Merchant category code		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	3 Number of payment transactions 1	4 Federal income tax withheld \$	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
PAYEE'S name Traveler Taxpayer		5a January \$	5b February \$		
Street address (including apt. no.) 1 Home Street		5c March \$	5d April \$		
City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		5e May \$ 900.00	5f June \$		
PSE'S name and telephone number Venmo 770-555-6666		5g July \$	5h August \$		
Account number (see instructions) 987654321		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) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Received in Error

Step One – Contact the issuer and have the form corrected. This may not be practical/realistic. Imagine the volume of calls these Payors will receive after the 1099-Ks are sent.

Step Two – If unsuccessful in having a corrected 1099-K issued, we can report the income as Additional Income on **Schedule 1, Line 8z** and then make a corresponding adjusting entry on **Schedule 1, Line 24z**.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Venmo 124 Main Street Anywhere, GA 770-555-6666		FILER'S TIN XX-XXXXXX	OMB No. 1545-2205	Payment Card and Third Party Network Transactions	
		PAYEE'S TIN XXX-XX-XXXX	Form 1099-K (Rev. January 2022)		
		1a Gross amount of payment card/third party network transactions \$ 900	For calendar year 20 23		
		1b Card Not Present transactions \$ 1	2 Merchant category code		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	3 Number of payment transactions 1	4 Federal income tax withheld \$	Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
PAYEE'S name Traveler Taxpayer		5a January \$	5b February \$		
Street address (including apt. no.) 1 Home Street		5c March \$	5d April \$		
City or town, state or province, country, and ZIP or foreign postal code Hometown, GA 30908		5e May \$ 900.00	5f June \$		
PSE'S name and telephone number Venmo 770-555-6666		5g July \$	5h August \$		
Account number (see instructions) 987654321		5i September \$	5j October \$		
		5k November \$	5l December \$		
		6 State 987654321	7 State identification no. \$	8 State income tax withheld \$	

Form **1099-K** (Rev. 1-2022) (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Received in Error

Here are the Schedule 1 entries

The Income is reported on Line 8z, and a corresponding adjusting entry is made on Line 24z.

Both entries have the description that is “**1099K Received in Error**”.

The net effect is the two entries offset.

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.			
Name(s) shown on Form 1040, 1040-SR, or 1040-NR SAMPLE TAXPAYER		Your social security number			
Part I Additional Income					
8 Other income:					
z Other income. List type and amount:		8z		900	
1099K RECEIVED IN ERROR					
9 Total other income. Add lines 8a through 8z				9 900	
10 Combine lines 1 through 7 and 9. This is your additional income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8				10 900	
Schedule 1 (Form 1040) 2023 Page 2					
Part II Adjustments to Income					
24 Other adjustments:					
z Other adjustments. List type and amount:		24z		900	
1099K RECEIVED IN ERROR, 900					
25 Total other adjustments. Add lines 24a through 24z				25 900	
26 Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10				26 900	

Resources

Many resources are available at IRS.gov to assist you in reporting Form 1099-K?

<https://www.irs.gov/businesses/understanding-your-form-1099-k>

<https://www.irs.gov/newsroom/form-1099-k-frequently-asked-questions>

<https://www.irs.gov/newsroom/know-the-difference-between-a-hobby-and-a-business>

2023-24

QUESTIONS?

2023-24

THANK YOU!