

TaxNewsFlash

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Notice 2023-10: Delay of implementation of \$600 reporting threshold for third-party settlement organizations' Forms 1099-K

The IRS today released an advance version of [Notice 2023-10](#) [PDF 65 KB], announcing that calendar year 2022 will be regarded as a transition period for purposes of IRS enforcement and administration with respect to the lowering, under the American Rescue Plan Act of 2021, of the de minimis threshold for reporting on third party settlement organizations (TPSOs) under section 6050W(e), from \$20,000 on 200 or more transactions to any qualifying transaction over \$600.

According to the [IRS transmittal message](#):

- As a result of this delay, TPSOs will not be required to report tax year 2022 transactions on a Form 1099-K to the IRS or the payee for the lower \$600 threshold amount enacted as part of the American Rescue Plan of 2021.
- Additional details on the delay will be available in the near future along with additional information to help taxpayers and the industry.
- For taxpayers who may have already received a 1099-K as a result of the statutory changes, the IRS is working rapidly to provide instructions and clarity so that taxpayers understand what to do.
- The IRS also noted that the existing 1099-K reporting threshold of \$20,000 in payments from over 200 transactions will remain in effect.

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