



# TaxNewsFlash

United States



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## Notice 2023-74: Further delay of implementation of \$600 reporting threshold for Forms 1099-K; \$5000 threshold for 2024 to phase in implementation

The IRS today released an advance version of [Notice 2023-74](#) [PDF 84 KB] announcing that calendar year 2023 will be regarded as a further 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) on Form 1099-K, from amounts in excess of \$20,000 on 200 or more transactions to any payments made to a participating payee that exceed a \$600 threshold, regardless of the number of transactions.

Notice 2023-74 specifically provides that for calendar year 2023, a TPSO is not required to report payments in settlement of third-party network transactions with respect to a participating payee unless the amount to be reported exceeds \$20,000 and the number of such transactions with that participating payee exceeds 200. It is important to note, however, that if a TPSO imposed backup withholding on any payments to participating payees during 2023, it must still file a Form 945, as well as Forms 1099-K to both the IRS and the participating payee.

The IRS previously delayed the new \$600 Form 1099-K reporting threshold for TPSOs in Notice 2023-10 (December 2023). Read [TaxNewsFlash](#)

### **\$5,000 threshold in 2024 to phase in implementation**

The IRS also announced in a related IRS release—[IR-2023-221](#)—that it is planning for a \$5,000 threshold for tax year 2024 to phase in implementation of the \$600 reporting threshold. The IRS invites feedback on the \$5,000 threshold for 2024 and other elements of the reporting requirement, including how best to focus reporting on taxable transactions.

The IRS also released [Fact Sheet 2023-27](#) which contains more details about the announcements.

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