

The drastic reduction to the IRS reporting threshold for pre-owned goods will hurt millions of Americans

Online marketplaces have become necessary lifelines for those struggling with rising costs due to inflation and supply chain disruptions. But, the drastically altered IRS reporting threshold requirements for pre-owned goods sold on third-party marketplaces from \$20,000 in aggregate payments and 200 transactions to only \$600 in payments without a minimum transaction requirement threaten access to these markets for millions of Americans. Casually selling items online should not warrant unnecessary and confusing tax forms for small-time transactions that are likely non-taxable events.

SURVEY DATA*

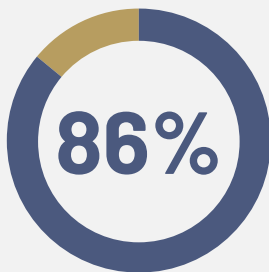
The [Coalition for 1099-K Fairness](#) conducted a nationwide survey in February 2022, targeting U.S. adults who sold goods online in 2021, made less than \$20,000 in online sales in 2021, and are aware of eBay or similar companies. The findings show how this drastic reduction to the IRS reporting threshold for pre-owned goods will hurt millions of Americans with disproportionate impacts on communities of color and women with children.

*eBay/Burke 1099-K Online Sellers Research (February 2022)

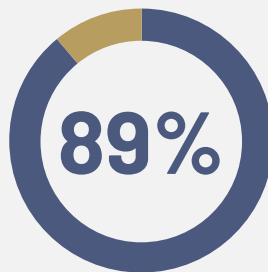


Most Casual Sellers Surveyed are Selling Only Small Amounts Online

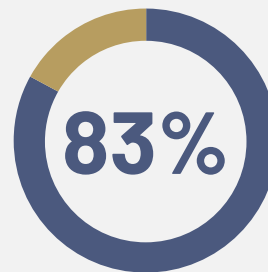
These casual sellers should not be treated as businesses, and in many cases are not even generating taxable income



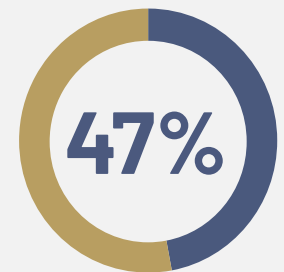
made less than \$5,000 in gross revenue from items sold online in 2021



said selling online is not their primary source of income



said they sell used or pre-owned goods online

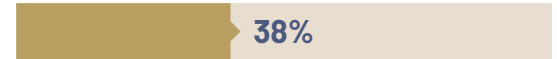


said they were unaware of new IRS reporting requirements



Economic Hardship

Nearly **40%** of sellers said the change poses an economic hardship.



Of respondents that said the new mandate poses an economic hardship, **74%** said they sell online to help pay for necessary personal expenses.



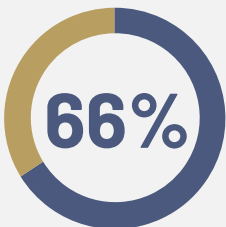
A significantly higher proportion of those with a household income less than \$50K per year said that they sell online to help pay for necessary personal expenses (**62%**) versus the representative sample (**47%**).



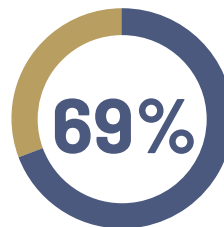
Tax Burden & Confusion



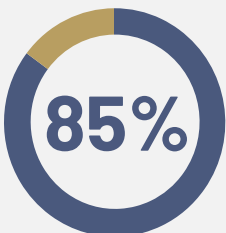
Deter Online Reselling



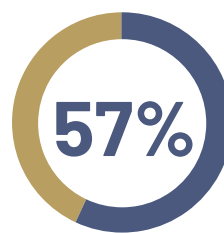
are at least somewhat concerned that non-taxable online sales will be reported to the IRS



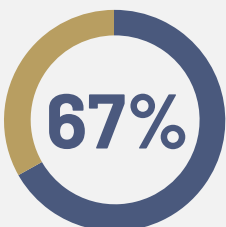
said they are likely to stop selling online or sell less online based on the new requirements



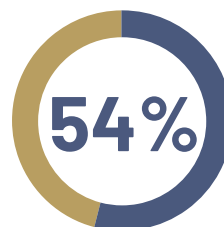
do not think the IRS should be targeting individuals who only occasionally sell online



said the new requirements will make it at least somewhat difficult to sell online



said the new reporting requirements will cause confusion as to what income from online sales should be reported to the IRS

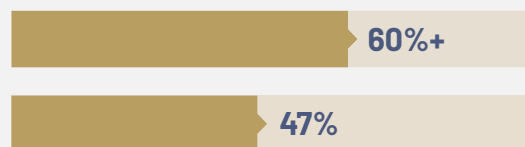


said the new requirements would make it more likely they dispose of used/pre-owned goods instead of selling them online



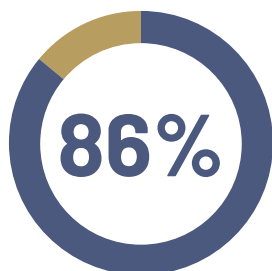
Disproportionate Impact on Communities of Color

A significantly higher proportion of African Americans and Hispanics (**60%+**) sell online to help pay for necessary personal expenses compared to the representative sample (**47%**).

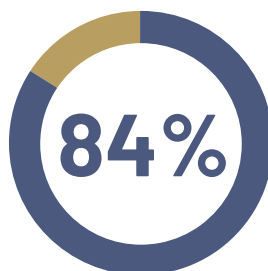


Significant Impact on Women with Children

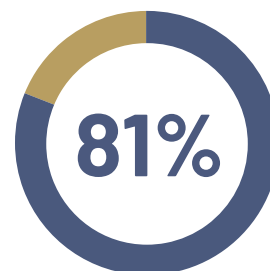
The vast majority of these casual sellers are not running businesses nor generating taxable income



said they sell used or pre-owned goods online



said they made less than \$5,000 in gross revenue from items sold online in 2021



said they sell online to get rid of things they don't need anymore

The Coalition is calling on Congress to increase the 1099-K reporting threshold before millions of Americans are further impacted by this drastic change.

The Coalition for 1099-K Fairness is a coalition of leading online marketplaces committed to maintaining an accessible, fair, and safe recommerce market for used and pre-owned goods via online platforms.