



June 15, 2023

The Honorable Sherrod Brown  
503 Hart Senate Office Building  
Washington, DC 20510

The Honorable Bill Cassidy, M.D.  
455 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Brown and Dr. Cassidy,

On behalf of the National Association of Enrolled Agents (NAEA) and the nearly 60,000 enrolled agents it represents, I am writing today to express our support for S. 1761, the Red Tape Reduction Act, which would raise the Form 1099-K reporting threshold to \$10,000 and require at least 50 transactions.

The American Rescue Plan Act of 2021 (ARPA) decreased the reporting threshold from \$20,000 in aggregate payments and 200 transactions to \$600 in aggregate payments, with no minimum transaction requirement, effective 2022. IRS in late December announced a one-year delay in the ARPA reporting requirement.

EAs have been concerned by the ARPA threshold and have been on record recommending the reporting thresholds be raised in order to protect casual sellers whose sales in all likelihood would not be a taxable event from confusion, burden, and a non-trivial possibility of reporting, inaccurately, these garage sale-type of transaction (or Venmo-type reimbursements among friends and family) as taxable income.

NAEA wrote as recently as March 2023 to the chairs and ranking members of both tax writing committees a letter including a request to raise the \$600 threshold. In addition, on May 23, as part of NAEA's annual legislative conference and fly-in, nearly 100 EAs participated in meetings with their Senators and Congressmen where they raised this issue and encouraged Congress to act.

NAEA thanks both of you for your leadership on this important issue and urges Congress to pass legislation that significantly increases the reporting threshold. We believe your bill will meaningfully reduce the number of unnecessary Forms 1099-K the IRS and taxpayers receive thereby improving tax administration and reducing filing burden on the American public.

Please contact me if enrolled agents can be of any assistance in marshalling support for the Red Tape Reduction Act.

Sincerely,

A handwritten signature in black ink that reads "Megan Killian".

Megan Killian, CAE  
Executive Vice President