



555 12th St. N.W., Suite 1001
Washington, D.C. 20004

1-800-552-5342
NFIB.com

February 28, 2022

The Honorable Carol Miller
U.S. House of Representatives
465 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Miller:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of H.R. 3425, the *Saving Gig Economy Taxpayers Act*.

This legislation would effectively repeal Section 9674 of the American Rescue Plan Act of 2021 (ARPA), which requires Third-Party Settlement Organizations (TPSOs), such as PayPal, Venmo, and online marketplaces that connect buyers and sellers, to collect sensitive taxpayer information and issue a 1099-K for goods and services transactions made by customers with \$600 or more in annual gross sales beginning this year. Previously, TPSOs were only required to issue a 1099-K for users with \$20,000 in transactions and more than 200 transactions in a calendar year.

This provision was subject to no hearing or markup and was added to the ARPA via self-executing amendment in the Rules Committee of the House of Representatives. Rather than reduce the so-called "tax gap," the new requirement will be confusing and unworkable. Millions of Americans and small business owners will receive a 1099-K for transactions where they have no tax liability, such as reimbursements, gifts, or the selling of property at a loss. This increased reporting will further complicate the already difficult tax compliance burden small businesses and individual filers face.

Section 9674 continues a troubling trend of some in Congress seeking to single out the smallest of small businesses for additional IRS scrutiny. Like the unworkable expanded 1099 reporting requirements contained in the Affordable Care Act, Congress should once again come together in a bipartisan manner to repeal this anti-small business provision. NFIB supports H.R. 3425 and looks forward to working with you on this important issue in the 117th Congress.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman".

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB