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March 2, 2022

The Honorable Bill Hagerty  
United States Senate  
248 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Hagerty:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of S. 3546, the *Stop the Nosy Obsession with Online Payments Act (SNOOP Act) of 2022*.

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 inserted into the ARPA behind closed doors shortly before House passage. 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 S. 3546 and looks forward to working with you on this important issue in the 117<sup>th</sup> Congress.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman". The signature is written in a cursive, slightly slanted style.

Kevin Kuhlman  
Vice President, Federal Government Relations  
NFIB