



Written by [Veronika Kyrylenko](#) on November 21, 2023

New IRS Rule Targets Working Americans Using Digital Payments

As the IRS kicks off the 2023 tax filing season, a recent Government Accountability Office (GAO) [report](#) reveals that for the first time, Americans will be receiving 1099-K tax forms for earnings paid through Venmo and PayPal.

According to the report, “IRS expects to receive about 44 million Form 1099-Ks in 2024 — an increase of about 30 million.” This figure, however, is likely to rise as the agency gathers additional information from larger filers and states.

Even modest earnings now need to be reported to Big Brother. Per the report,



fizkes/iStock/Getty Images Plus

The American Rescue Plan Act of 2021 lowered the reporting threshold for Form 1099-K. Previously, reporting was required if a taxpayer had annual payments of \$20,000 and 200 transactions. Beginning in 2023, reporting is required if a taxpayer has total annual payments exceeding \$600.

One of the critics of the new rule was House Ways and Means Chairman Jason Smith (R-Mo.), who [called it](#) a “surveillance scheme” that will result in a “nightmare” for millions of Americans.

Smith said,

The whole plan is just another effort by Washington Democrats to use the IRS to target working families. According to the Joint Committee on Taxation, over 90 percent of this new tax burden will fall on middle-class families and gig workers who will be caught in the crosshairs of the Democrats’ tax scheme.

The new rule raises serious concerns, as nearly 60 percent of small businesses are planning to ditch cash transactions and go fully digital within a couple of years, according to a [Visa survey](#) from the previous year.



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.