

February 26, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
United States Capitol
Washington, D.C. 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
United States Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
United States Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority leader
U.S. Senate
United States Capitol
Washington, D.C. 20515

Dear Madam Speaker, Majority Leader Schumer, Leader McCarthy and Leader McConnell:

On behalf of the undersigned organizations, we urge you to oppose the proposed inclusion of section 9674 in the manager's amendment to the *American Rescue Plan*, "*modification of exceptions for reporting of third party network transactions*". We believe this provision will create unexpected challenges for small business owners and entrepreneurs across the Main Street ecosystem.

As the country begins to navigate the road to recovery from the COVID-19 pandemic and its economic downturn, millions of small business owners are grappling with a myriad of challenges-- chief among them, revenue shock from financial crisis. These business owners and entrepreneurs are depending on lawmakers to deliver relief and refuge through swift legislative action.

The proposed measure would amend section 6050W of the IRS code to require reporting for any transaction above \$600 in gross sales through a 1099-K form. Current statute requires small business owners to file a 1099-K only when there's a transaction greater than \$20,000 and a minimum of 200 transactions completed over the course of one year.

The implications of the proposed provision may be counterintuitive to Congress' intent of supporting and safeguarding Main Street America. This could possibly lead to changes in small business operations and we do feel that in a year in which small business owners and entrepreneurs are dealing with a myriad of challenges, making this change would place a burden on small business owners and entrepreneurs and further complicate an already challenging tax season for small business and entrepreneurs.

We believe there is a time and place to have a robust policy conversation related to 1099K reporting thresholds, however, we encourage Congress to remain focused on supporting small business owners and entrepreneurs in recovering from the devastating impact of the COVID-19 pandemic.

Sincerely,

These leaders from around the country:

AnnexTech Partners

Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE)

Association for Enterprise Opportunity (AEO)

Association of Women's Business Centers (AWBC)

Audacity Fund

Boston Impact Initiative

CDC Small Business Finance

CommonWealth Kitchen

Communities Unlimited

ConnectUP! Institute

Eickhof Creative Shop

Etsy

Gusto

Human Capital Strategies & Solutions

Innovate Coalition Inc.

National Asian American Chamber of Commerce (National ACE)

National Association for the Self-Employed (NACE)

National Association of Women Business Owners (NAWBO)

Native Women Lead

Pacific Community Ventures

Page 30 Coalition

Partners for Rural Transformation

PeopleFund

Prosperity Now

Roanhorse Consulting

Rutgers Center for Urban Entrepreneurship and Economic Development

Small Business & Entrepreneurship Council

Social Impact Strategies Group

U.S. Black Chambers, Inc. (USBC)

U.S. Chamber of Commerce

United States Hispanic Chamber of Commerce (USHCC)

Virginia Asian Chamber of Commerce

Women Impacting Public Policy (WIPP)

XXcelerate

Zebras Unite

CC:

House Small Business Committee

House Ways & Means Committee

Senate Finance Committee

Senate Small Business & Entrepreneurship Committee