February 26, 2021

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