Online marketplaces have become necessary lifelines for those struggling with rising costs due to inflation and supply chain disruptions. But, the drastically altered IRS reporting threshold requirements for pre-owned goods sold on third-party marketplaces from $20,000 in aggregate payments and 200 transactions to only $600 in payments without a minimum transaction requirement threaten access to these markets for millions of Americans. Casually selling items online should not warrant unnecessary and confusing tax forms for small-time transactions that are likely non-taxable events.

**SURVEY DATA***

The Coalition for 1099-K Fairness conducted a nationwide survey in February 2022, targeting U.S. adults who sold goods online in 2021, made less than $20,000 in online sales in 2021, and are aware of eBay or similar companies. The findings show how this drastic reduction to the IRS reporting threshold for pre-owned goods will hurt millions of Americans with disproportionate impacts on communities of color and women with children.

*eBay/Burke 1099-K Online Sellers Research (February 2022)*

**Most Casual Sellers Surveyed are Selling Only Small Amounts Online**

These casual sellers should not be treated as businesses, and in many cases are not even generating taxable income.

- **86%**
  - made less than $5,000 in gross revenue from items sold online in 2021

- **89%**
  - said selling online is not their primary source of income

- **83%**
  - said they sell used or pre-owned goods online

- **47%**
  - said they were unaware of new IRS reporting requirements
Economic Hardship

Nearly **40%** of sellers said the change poses an economic hardship.

Of respondents that said the new mandate poses an economic hardship, **74%** said they sell online to help pay for necessary personal expenses.

A significantly higher proportion of those with a household income less than $50K per year said that they sell online to help pay for necessary personal expenses (**62%**) versus the representative sample (**47%**).

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Tax Burden & Confusion

- **66%** are at least somewhat concerned that non-taxable online sales will be reported to the IRS
- **85%** do not think the IRS should be targeting individuals who only occasionally sell online
- **67%** said the new reporting requirements will cause confusion as to what income from online sales should be reported to the IRS

Deter Online Reselling

- **69%** said they are likely to stop selling online or sell less online based on the new requirements
- **57%** said the new requirements will make it at least somewhat difficult to sell online
- **54%** said the new requirements would make it more likely they dispose of used/pre-owned goods instead of selling them online
The Coalition is calling on Congress to increase the 1099-K reporting threshold before millions of Americans are further impacted by this drastic change.

The Coalition for 1099-K Fairness is a coalition of leading online marketplaces committed to maintaining an accessible, fair, and safe recommerce market for used and pre-owned goods via online platforms.