



MINUTES

Internal Revenue Service Advisory Council Public Meeting

September 4, 2025
Virtual – Microsoft Teams
3:00 p.m. ET

Meeting Called to Order: John Lipold, Designated Federal Officer

Purpose: To provide insight to the public on issues IRSAC will be addressing in its annual report

Turned Meeting over to: Christine Freeland, IRSAC Chair

- Overview of IRSAC
- Listing of five subgroups
- Today's public meeting will announce issues for inclusion in this year's public report

Seven General Issues: announced by the Chair and described by the lead drafter:

- 1) Form 730 filing and erroneous refunds – Adam Robbins
- 2) IRS Outward Perception – Joe Bender
- 3) Outdated Web Pages – Annette Nellen
- 4) Math Error Notice Usability – Omeed Firouzi
- 5) Expanded List of Automatic Changes in Accounting Method for Form 3115 – Selvan Boominathan
- 6) The Importance of Proper IRS Funding – Lucinda Weigel
- 7) Simplified Interface with New IRS Online Tools – Anthony Massoud

The chair asked if any IRSAC members had objections to these general issues and no objections were made. The chair announced that the seven general issues will be included in the 2025 annual report. She also noted that the worker misclassification topic announced in July has been postponed until 2026.

Subgroup Report-Outs: Issues presented by Subgroup Chairs

Information Reporting Subgroup: presented by Susan Nakano

- 1) Character and Source of Staking Income and Withholding
- 2) Information Reporting for Transactions Where Known Fraud is Involved
- 3) De Minimis Threshold for Reconciling Form 1042 and Form 1042-S
- 4) Address Changes for Financial Institutions and Large Companies
- 5) Examine the Effect of the Threshold Decrease for Mandatory E-Filing of Returns from 250 to 10.
- 6) Form W-2G Reporting Thresholds for Slot Machine Winnings

The chair asked if any IRSAC members had objections to these issues and no objections were made.

Small Business and Self-Employed Subgroup: presented by Annette Nellen

- 1) Enhanced Digital Tools for Taxpayer Engagement
- 2) Increasing Awareness and Taxpayer Use of Settlement Programs
- 3) Increasing the Use of Alternative Dispute Resolution (ADR) Programs
- 4) Enhanced Small Business Tax Literacy Efforts
- 5) Small Business Compliance Prompts

The chair asked if any IRSAC members had objections to these issues and no objections were made.

Large Business and International Subgroup: presented by Andrew Bloom

- 1) Automatic Assessment of Penalties in International Filings when Reasonable Cause Arguments are Made
- 2) Updating Form 1065

The chair asked if any IRSAC members had objections to these issues and no objections were made.

Tax-Exempt and Government Entities Subgroup: presented by Brian Yacker

- 1) Parity Between Tribal Governments and Other Government Entities in the §7871(e) Definition of “Essential Governmental Function” Qualifying for Tax-Exempt Bonding
- 2) Reviewing the Cost Burden of Private Letter Rulings (PLRs) for Tax-Exempt Organizations and Government Entities
- 3) Regulations are Needed for §142(n) Concerning Qualified Broadband Projects as enacted in the *Infrastructure Investment and Jobs Act*.
- 4) Clarification is Needed for Form 1098-F, *Fines, Penalties, and Other Amounts*.
- 5) Recommendations to Improve Public Awareness of the Enhanced “Savers Match,” Included in the SECURE Act 2.0.
- 6) Defining “Rents from Rental Property” similarly for §856, which involves Real Estate Investment Trusts (REITs) and §514, which involves Unrelated Business Income Tax (UBIT).

The chair asked if any IRSAC members had objections to these issues and no objections were made.

Taxpayer Services Subgroup: presented by Elizabeth Boonin

- 1) Reducing Centralized Authorization File (CAF) Processing Times
- 2) Leveraging XML Capabilities to Provide Taxpayers with Access to their Entire Electronically Filed Tax Return Data
- 3) Reducing Processing Times for Amended Returns
- 4) Supporting Live Chat for Tax Pros
- 5) Leveraging Social Media to Improve Taxpayer Service and Compliance
- 6) Pre-Launch SME Testing and Post-Launch Support

The chair asked if any IRSAC members had objections to these issues and no objections were made. The chair also noted that the topic announced in July involving processing of “Beard returns” has been postponed until 2026.

Acknowledgments: The Chair acknowledged receipt of written comments from Gene Mabilli. These written comments are included with the meeting minutes in the public record for this meeting via [facadatabase.gov](https://www.irs.gov/record).

Meeting Closed: John Lipold closed the meeting.

IRSAC Public Meeting Attendees – September 4, 2025

IRSAC

Christine Freeland, IRSAC Chair
Lucinda Weigel, IRSAC Vice Chair
Grace Allison
Robert Barr
Joseph Bender
Pablo Blank
Andrew Bloom
Selvan Boominathan
Elizabeth Boonin
Caroline Bruckner
Beatriz Castaneda
Sam Cohen
Kendra Cooks
Omeed Firouzi
David Gannaway
Jared Goldberger
Steven Grieb
David Heywood
Manuela Markarian
Charles Markham
Anthony Massoud
Mark Matkovich
Susan Nakano
Sarah Narkiewicz
Annette Nellen
Adam Robbins
Brayan Rosa-Rodriguez
Lawrence Sannicandro
Tralynna Scott
Peter Smith
Cory Steinmetz
Hussein Tarraf
Kristofer Thiessen
Rolanda Watson
Thomas Wheadon
Brian Yacker
Nicholas Yannaci

IRS

John Lipold, IRSAC DFO
Tekila Gray
Reginald Grimes
Tyonna Harrison
Aphillia Hughes
Christine Kingston
Anna Millikan
Suchitra Patri
Maritza Rabinowitz
Brian Ward

Members of the Public

Melissa Adams
Rayna Alexander

Susan Diehl
Scharlicia Miller
Kamilah Offutt
Tracy Taylor
Erin Slowey
Ben Valdez

**Written Statement submitted to the IRS Advisory Council
for its September 4, 2025, Public Meeting**

Statement #1 – from Gene Mabilli, dated August 21, 2025

From: gene mabilli <gmabilli@yahoo.com>
Sent: Thursday, August 21, 2025 4:30 PM
To: *Public_Liaison
Subject: [EXT] 1099-K Issues & Questions

Follow Up Flag: Follow up
Flag Status: Flagged

Hi IRSAC!

I hope you are all doing well. I have some confusion about the IRS 1099K rule that I'm hoping you can help me with by answering some of these questions during your virtual meeting on Sep 4, 2025 @3p. I am directing some of my questions and issues directly to you because I have called the IRS, and I have visited two local offices in my home area of Atlanta, GA, and have not been able to locate anyone who can give me definitive answers. In fact, I've had a hard time finding a local IRS person that has enough expertise in this rule to have a granular conversation about it with certitude.

I do understand that the tax law consists of many pages and laws and no one person can be a fountainhead of authority on every obscure facet of it. This is why I am contacting you. I feel if anyone can help me understand not only the rule, but the rationale behind the rule, it's the IRSAC.

So, I present here, some questions and observations. The questions are for my personal tax compliance, and the observations are generic policy issues that I hope you will address in your meeting on 9/4. Let me start with the policy issues:

POLICY

To begin, here is the scenario that I'm trying to address: Many American baby boomers have collected a lot of 'stuff' during their working years. Stuff which we mostly already theoretically paid taxes on. This might include, homes, cars, furniture, kitchen appliances. hobby things like camera equipment, musical gear, beekeeping gear or whatever - name the hobby, and there is stuff you likely have to buy to pursue it. You know, the 'stuff' good little consumers collect during a lifetime.

I specifically want to address that which can be sold in online marketplaces like Ebay, Reverb, Facebook, Etsy, etc. - that which you require those online marketplaces to file 1099K's with the IRS reporting gross sales.

- 1) Having read some aspects of the 1099k rule, it seems as if you are lumping personal sales and business sales into the same reporting rule
- 2) This is confusing for a consumer because consumers selling their possessions have no way to verify to the IRS that what they sold was not for a commercial purpose
- 3) In the selling of a personal good, who is to determine whether an item was sold 'at a profit' or 'a loss'
- 4) Extending the thought in item 3, how can the IRS determine what the profit was on a consumers 20 year old camera sold on Ebay (say)?
- 5) You seem to be wanting to treat personal sales with the same broad brush as business. Except businesses are allowed to depreciate items. Businesses are allowed to deduct losses for advertising items for sale. Businesses can offset taxes on profits with those losses. Are you proposing to treat consumers selling their possessions as for profit businesses? In that case:
 - a) Do we have to keep a general ledger, balance sheet, and profit and loss statements like a bonafied business?
 - b) If I bought a couch in 1990, and sold it on Ebay in 2025, does the IRS expect consumers to keep receipts for the price paid in 1990?
 - c) If consumers possessions are to be treated like 'stock' in a warehouse ready for sale and profit, how is that profit determined?

I ask this because, if you assume that inflation is about 3% per year, a couch that cost you say, \$200 in 1990, would cost retail about double in today's dollars. If, in this example, I sold that couch (still in good shape) for 1.5x it's paid for price, did I make a profit? Or did I lose because I sold it for \$50 off a new one, and replacement cost is 100% in today's dollars? Or did I lose because I did not depreciate it? Was it a capital gain?

Can you see our dilemma as consumers with this 1099k rule as regards selling our personal goods? You seem to want to treat every American's sales of anything as a business transaction for profit. But, you don't let citizens who don't have a business entity treat sales of ordinary household good with the preferential treatment businesses get regarding taxable deductions. And more to the point, I feel it is not fair to expect people who are liquidating their possessions to have to treat any of it like it's profit.

Here is a scenario. Lucky buys a Gibson Hummingbird guitar in the year 2000 for \$2000. Twenty five years later, that same guitar new, has appreciated over 25 years. It now costs \$3800 for a new one. Lucky sells his guitar at a discount off a new one for \$3200. In the eyes of the IRS, did Lucky make a reportable, taxable profit of \$1200? Or did he lose \$600 because if he wanted to replace the used guitar he sold in today's dollars, he would have to pay \$3800+? Can you see how complex that assessment is for a rank and file American?

I guess the generic layman's point I'm trying to make here is - if you wish to treat every online transaction as a business transaction, it elevates the daily lives of every ordinary American to a 'business entity'. And as such, all Americans would be required to keep books, and thus qualify for all appropriate tax credits businesses get. Am I making any sense? Does this rule make sense?

QUESTIONS:

- 1) Hypothetical - In 2024 the IRS taxable limit on online sales was \$5k before reporting was required. Say you had \$3K in sales, but did not provide your TIN to the online marketplace, can they refuse to pay you the proceeds for any sale during 2024 even though you owed no tax in this scenario and reported all sales to the IRS? Could they refuse a payout on sales if sales was above the \$5k limit? (don't get the wrong idea about this question. I report every dime I earn).
- 2) There is a lot of hacking going on these days. Even the intel community and US government institutions have been hacked. I have gotten several communications that my personal information is out in the wild for sale (good thing I'm poor!).

What I am seeking is a dedicated TIN for just online sales. This would be in addition to a person's SSN. An online only TIN (not really an EIN because you're not a for profit employer I assume). This is appealing because if it gets hacked, it can be disabled and once disabled, flagged for the fraud team, such that, every time it's used after being disabled, it can be traced because it's on a 'watch list'. You cannot do this with your once in a lifetime social security number. Can you see the usefulness of this?

Here is a scenario. Sally sells magic doilies on Ebay. Someone hacks Ebay and steals everyone's personal details - name, address, TIN, payment info. Sally gets wind of the theft and notifies the IRS to disable her online TIN, and issue her a new one, which they do. Henceforth, any bad guy that tries to identify as Sally for literally anything using the old TIN gets flagged, and busted (yeah!).

My more general point is that the social security number is too inflexible for today's threat environment. Once they get hacked, they are out in the wild for good, and any bad actor that uses it effectively, can identify as you. The person hacked is left to clean up the mess. If taxpayers were able to have flexible TIN's, then we could shut them off like credit cards - ending the value of the hack.

So that's my question. Is there a construct available today that I can use an an 'online only' tax ID, that I can provide to online marketplaces that is not my lifetime TIN? If so, please explain to me (us) how that can be done.

- 3) Why is anyone over 65 paying any taxes what so ever? Are we wrong to feel that, after 40+ years of paying into the system, and making it to 'elder status' that we might rightfully expect a moratorium on taxation?

PLEASE REGISTER ME FOR THE SEP 4 MEETING:

The Internal Revenue Service Advisory Council hold a public meeting on Thursday, Sept. 4, 2025, at 3 p.m. Eastern time

Thanks
Gene Mabilli