

# IRS Form 1099-K

## MYTHS **vs** FACTS



### Myth

### Fact

People will get a Form 1099-K from friends and family sending them personal payments.

Payments from friends and family should generally not be reported on a Form 1099-K. The form reports payments for goods or services and should not report personal payments like rent, dinner, travel and other gifts or reimbursements, no matter the amount. Generally, in payment apps, the default is personal payments unless the sender designates that they're purchasing goods or services, or it's a designated business account.

If taxpayers didn't receive a Form 1099-K, they don't have to report income.

According to federal law, all income is taxable unless it is specifically excluded by tax law. Taxpayers should report any profits from selling goods or services, regardless if they receive a Form 1099-K.

Individuals won't get a Form 1099-K if they sold goods or services under the current reporting threshold.

Companies may still send a Form 1099-K for goods or services payments that are less than the reporting threshold. This could be due to multiple factors. For example, the account owner is subject to backup withholding, or their state may have a lower reporting threshold.

Taxpayers owe taxes on the amount reported on the Form 1099-K.

The form provides the gross, or total amount of payments individuals got per app or marketplace. Just because a payment is reported on a Form 1099-K does not mean it is taxable. Taxpayers will need to use the Form 1099-K information and other records to determine their actual tax liability when they file their tax return. See [IRS.gov/1099khelp](https://www.irs.gov/1099khelp).

Taxpayers can only get a 1099-K if they're running a business.

Taxpayers may get a Form 1099-K from payment apps or online marketplaces they used to sell goods or services, or accepted payments from a bank card. See Form 1099-K frequently asked questions for more information at [IRS.gov/1099kfaq](https://www.irs.gov/1099kfaq).

Taxpayers don't need to do anything with their Form 1099-K.

Taxpayers should use the information on the Form 1099-K with their other tax records to determine their correct tax owed when they file their taxes..

Someone who receives a Form 1099-K when they shouldn't have should take the steps outlined at [IRS.gov/1099khelp](https://www.irs.gov/1099khelp).

#### Find information and resources on IRS.gov

The IRS has a variety of resources to help people understand their form and report their taxes accurately.

Learn more at [IRS.gov/1099k](https://www.irs.gov/1099k), [IRS.gov/1099khelp](https://www.irs.gov/1099khelp) and [IRS.gov/1099kfaq](https://www.irs.gov/1099kfaq)



[irs.gov/1099khelp](https://www.irs.gov/1099khelp)