



H.R. 190, the *Saving Gig Economy Taxpayers Act*

Rep. Carol Miller (R-WV)

Background:

- The Democrats' *American Rescue Plan Act (ARPA) of 2021* targeted hardworking Americans by reducing the 1099-K reporting thresholds from \$20,000 in earnings and 200 individual transactions to only \$600, increasing taxes and paperwork burdens on workers, especially those in the gig economy, already trying to make ends meet in the Biden-Harris cost of living crisis.
 - According to the Joint Committee on Taxation, **90% of the tax burden** would fall on filers that make less than **\$200,000**.
- The Biden-Harris Administration knew this rule would hit low- and middle-income Americans violating their pledge to not raise taxes on those making less than \$400,000, which is why they have delayed its implementation each year since ARPA was enacted.
- In December 2023, Ways and Means Republicans sent a letter to IRS Commissioner Daniel Werfel calling on him to testify before the Committee regarding the Biden-Harris Administration's refusal to implement their own policy which they forced into law without bipartisan support.
- In February 2024, Commissioner Werfel testified in front of the Ways and Means Committee and evaded questions regarding the IRS's authority to change the Form 1099-K threshold without Congressional authorization.
- Ways and Means Republicans previously took action to stop this attack on working Americans by passing H.R. 3937, the *Small Business Jobs Act*, which would have repealed Democrats' burdensome tax reporting thresholds.

Issue(s):

- In December 2022, the Biden Administration's IRS unilaterally delayed implementation of this provision for tax year 2022; it did so again in November 2023 for tax year 2023.
- The IRS says it plans to increase the threshold from \$600 to \$5,000 for tax year 2024.
- These unilateral decisions circumvented the law and allowed the Biden Administration to avoid sending over **44 million tax forms** in an election year.

The *Saving Gig Economy Taxpayers Act*:

- Stops the attack on the gig economy and American workers by repealing Democrats' 1099-k law that gives authority to the IRS to target working Americans, gig workers, and those who use Venmo or PayPal to sell items like a used couch, guitar, or concert tickets.
- Reverts thresholds for third-party settlement organizations back to pre-ARPA reporting requirements.

Provision	Saving Gig Economy Taxpayers Act	Democrats' Gig Economy Attack
# of Transactions	200	1
Earnings Threshold	\$20,000	\$600s