

What is the \$600 rule on Venmo? ((Full Guide TO ~ 600\$))

The "\$600 rule" refers (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] to a future IRS tax reporting threshold (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] that will require Venmo and other third-party payment platforms to issue a Form 1099-K to users who (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] receive \$600 or more for the sale of goods or services in a calendar year.

This rule is part of a phased (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] implementation plan and is not yet in effect at the federal level (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] . The reporting thresholds have been modified and delayed several times since the rule was introduced (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] in the American Rescue Plan Act of 2021.

#### Current and Future Reporting Thresholds

The IRS has adopted a phased (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] approach to implementing the lower reporting threshold: For the 2024 tax (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] year (tax returns filed in 2025), the threshold for receiving a Form 1099-K is \$5,000 or more in payments for (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] goods and services.

\* For the 2025 tax year (tax returns filed in 2026), the (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] threshold will be \$2,500 or more.

\* For the 2026 tax year (tax returns filed in 2027), the \$600 threshold (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] is currently set to take effect, unless further legislation changes it.

#### Key Points to Remember

Applies only to (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] business/commercial payments: The rule is intended for income from side gigs, online sales (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] , freelance work, or other business activities.

Does not apply to personal payments (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] : Payments for shared expenses (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] (like dinner or rent), gifts, or reimbursements between friends and family are not considered (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] taxable income and are not subject to this (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] reporting requirement.

All income is still taxable: Even if (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] you do not receive a Form 1099-K because you are below the reporting threshold (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] , you are still legally required to report all (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] business income on your tax return.

State-specific rules: Some states (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] , including Maryland, Massachusetts, Vermont, and Virginia (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] , have already implemented their own \$600 reporting thresholds, which payment platforms (US/OTA) ☎ [+ [1] - [415] - [630] - [8272] ] must follow for state tax purposes.

Properly marking transactions as (US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】  
】 "personal" or "goods and services" on Venmo helps ensure accurate reporting. For more  
details as (US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】 】, refer to the official IRS website  
(US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】 】, or the Venmo Tax FAQ.

This overview provides as (US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】 】, clarity on the  
\$600 rule related to Venmo's tax reporting obligations and how users should manage their as  
(US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】 】, income reporting responsibilities as  
(US/OTA) ☎️ 【+ 【1】 - 【415】 - 【630】 - 【8272】 】, connected to goods and services  
payments received on the platform.