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Transitional Delay – Increased Reporting to the IRS for PayPal, Venmo, Third-Party Payment Networks – Threshold \$5,000 for 2024

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On November 26, 2024, the [IRS announced transitional relief](#) for the much-maligned tax reporting requirement for third party payment networks. The reporting threshold will now be \$5,000 for the year 2024 rather than \$600 to start. The IRS will ease third party payment networks into the \$600 threshold with gradually decreasing threshold amounts.

As we [originally discussed December 16, 2021](#), third party payment networks such as PayPal and Venmo were required to report to the IRS transactions in excess of \$600 beginning on January 1, 2022.

The \$600 threshold was [further delayed in December 2022](#). The new relief will require reporting for transactions in excess of \$5,000 for the year 2024, but it will decrease to \$2,500 in the year 2025 and finally \$600 in the year 2026. [The full text of the IRS Notice 2024-85 can be found here.](#)