



**American Payroll Association  
Dallas Chapter  
Thursday, April 11, 2024**



# IRS Updates



**Form 1099-K Third Party  
Payment Network  
Transactions  
(Card and Electronic payments)**





## **Form 1099-K Overview**

- The American Rescue Plan Act of 2021 changed the Form 1099-K reporting threshold to payments over \$600 beginning in calendar year 2022.
- Implementation was delayed for calendar years 2022 and 2023.
  - For 2023, Forms 1099-K reporting threshold, over \$20,000 and over 200 transactions
  - Some taxpayers may still receive a Form 1099-K
  - Report all income, unless excluded by law
- IRS is planning for a \$5,000 threshold for 2024.



## **Who could receive a Form 1099-K**

- Businesses, sole proprietors, self-employed
- Gig workers
- Sellers of goods and services, including personal items
- Individuals who rent property through third party apps
- Individuals earning money from a side hustle





## **Friends and Family Transactions**

Money sent between family and friends as a gift or for reimbursement is not required to be reported on a Form 1099-K because these are not payments for goods or services.

Examples: Money received as a:

- gift from a family member for college expenses through a payment app
- reimbursement from a friend to pay their portion of a trip through a payment app
- wedding gift through a payment app



## **Incorrect Form 1099-K received**

Received a Form 1099-K by mistake or with incorrect information:

- Contact the issuer of Form 1099-K immediately
- Report gross proceeds on Schedule 1
- Label “Form 1099-K Received in Error”





**1099-K**



**Got questions  
on 1099-K?**

**We have  
answers.**

[irs.gov/1099K](https://irs.gov/1099K)



# Residential and Vehicle Credits

## Residential Energy Credit

- Residential Clean Energy Credit
- Energy Efficient Home Improvement Credit

## Clean Vehicle Credits

- New Clean Vehicle Credit
- Previously Owned Clean Vehicle Credit





# Residential Energy Credit

## Residential Clean Energy Credit

- Equals 30% of the costs of new, qualified clean energy property for your main home installed anytime from 2022 through 2033
- Examples include solar electric panels, solar water heaters, wind turbines, geothermal heat pumps, and battery storage technology

## Energy Efficient Home Improvement Credit

- Equal to 30% of expenses up to a maximum credit of \$3,200
- Examples include exterior doors, windows, insulation, central air conditioners, water heaters, furnaces, heat pumps, and home energy audits





# Credit for Clean Vehicles

**A new clean vehicle credit is available for qualifying vehicles purchased after August 16, 2022**

- **The maximum amount of the credit is \$7,500 per vehicle purchased in a tax year**
- The amount of the credit allowed can't exceed the amount of tax that you owe





## **Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)**

To qualify, a vehicle must:

- Have a battery capacity of at least 7 kilowatt hours
- Have a gross vehicle weight rating of less than 14,000 pounds
- Be made by a qualified manufacturer
- Undergo final assembly in North America



## Credit for Previously Owned Clean Vehicles

**Beginning in 2023, a previously owned (used) clean vehicle credit is available for qualifying vehicles.**

- **The maximum amount of the credit is the lesser of \$4,000 or 30% of the sales price.**
- The credit is available to all qualified buyers who are not claimed as a dependent on someone else's tax return.
- Qualified buyers cannot claim the credit more than once every three years
- The credit is allowed if the sale price is less than \$25,000.





## Employee Retention Credit

- IRS Employee Retention Credit compliance effort tops \$1 billion threshold since fall
- Voluntary Disclosure Program suspended after March 22
- Special withdrawal program remains open as audits, investigations intensify



# Benefits of IRS Direct File

IRS Direct File is a new choice for eligible taxpayers to file a 2023 federal tax return online for free — directly with IRS.

IRS Direct File is easy to use and eligible taxpayers can:

- • File their return online in English or Spanish
- • Add their tax information with step-by-step guidance
- • Live chat with IRS Direct File customer service representatives
- • Access it from smartphones, laptops, tablets and desktop computers



# IRS Direct File officially opens in 12 pilot states

IRS Direct File pilot is an option for taxpayers in 12 states who:

- Report income earned from jobs that generate a Form W-2; including taxpayers with more than one job with W-2 wages;
- Claim Earned Income Tax Credit, Child Tax Credit and the Credit for Other Dependents;
- Claim the standard deduction and deductions for educator expenses and student loan interest;
- Lived in the same state for the entire calendar year 2023.



## Tax Scope of IRS Direct File

- Use the eligibility screener at [directfile.irs.gov](https://directfile.irs.gov).
- Pilot eligibility is limited to reporting certain types of income, credits and deductions:

Income Reporting	Credits	Deductions
<ul style="list-style-type: none"><li>• W-2 wage income</li><li>• Social Security income</li><li>• Unemployment compensation</li><li>• Interest income of \$1,500 or less</li></ul>	<ul style="list-style-type: none"><li>• Earned Income Tax Credit</li><li>• Child Tax Credit</li><li>• Credit for Other Dependents</li></ul>	<ul style="list-style-type: none"><li>• Standard deduction</li><li>• Student loan interest</li><li>• Educator expenses</li></ul>



# Tax Forms Processing Times

**Tax return volumes:** As of December 9, 2023, we have the following unprocessed tax return forms:

<b>Tax return form:</b>	<b>Number unprocessed:</b>
1040	686,000 (600,000 require error correction or special handling)
1040-X	844,000
941	44,000
941-X	1,057,000



# Processing Times Individual Returns

## Individual returns

Electronically filed Form 1040 returns are generally processed within 21 days. We're currently processing paper returns received during the months below.

## Form 1040 series

- **Original:** March 2024
- **Amended:** December 2023

This does not include those that require error correction or other special handling. We generally process paper returns where a refund is expected before all other returns.



# Processing Times Business Returns

## **Business returns**

Electronically filed original returns are generally processed within 21 days. We're currently processing paper returns received during the months below.

### **Form 1120 series**

- Original: March 2024
- Amended: October 2023

### **Form 941**

- Original: March 2024
- Amended (excluding ERC): January 2024


### **Form 1041**

- Original: February 2024
- Amended: October 2023



# Disaster Information

Around the nation provides IRS news specific to local areas, primarily disaster relief or tax provisions that affect certain states.


[Help](#) | [News](#) | [English](#) ▼ | [Charities & Nonprofits](#) | [Tax Pros](#)

[File](#) | [Pay](#) | [Refunds](#) | [Credits & Deductions](#) | [Forms & Instructions](#)

[Home](#) / [News](#) / [Tax Relief in Disaster Situations](#) / [Around the Nation](#) / [Around the nation — Texas](#)

## Around the nation — Texas

[English](#) | [Español](#)

<b>Topics in the News</b>	<a href="#">IRS announces tax relief for Texas severe winter storm victims</a> TX-2021-02, Feb. 22, 2021
<b>News Releases</b>	<a href="#">IRS announces waiver of dyed fuel penalty in Texas</a> TX-2021-01, Feb. 19, 2021
<b>Multimedia Center</b>	<a href="#">IRS extends Oct. 15 and other upcoming deadlines, provides other tax relief for victims of Tropical Storm Imelda</a> IR-2019-164, Oct. 7, 2019
<b>Tax Relief in Disaster Situations</b>	<a href="#">IRS announces tax relief for Texas victims of Tropical Storm Imelda</a> TX- 2019-12, Oct. 7, 2019
<b>Around the Nation</b>	<a href="#">IRS extends Oct. 15 and other upcoming deadlines, provides other tax relief for victims of Tropical Storm Imelda</a> IR-2019-164, Oct. 7, 2019
<b>Inflation Reduction Act</b>	<a href="#">IRS announces tax relief for Texas victims of severe storms and flooding</a> TX-2019-02, July 18, 2019
<b>Tax Reform</b>	<a href="#">Tax relief for severe storms and flooding victims in Texas</a> TX-2019-05, July 9, 2019
<b>Taxpayer First Act</b>	
<b>Tax Scams/Consumer Alerts</b>	
<b>The Tax Gap</b>	



IRIS allows taxpayers to:

- Electronically prepare (create, edit, and view) and e-file Forms 1099 series without software or service provider
- Download and print the recipient copy of Forms 1099 for distribution to payees
- Maintain a record of completed, filed and distributed Forms 1099
- You can e-file any Form 1099 for tax year 2022 and later. The system also lets you file corrections and request automatic extensions for Forms 1099.



This free, web-based filing system lets you:

- E-file up to 100 returns at a time
- Enter manually or by .csv upload
- Download payee copies to distribute
- Keep a record of completed, filed and distributed forms
- Save and manage issuer information



## Future Releases Will:

1. Modernize the bulk Application to Application\*\* (A2A) intake channel to XML schemas.
2. Modernize the processing of the information returns filed on paper.
3. Electronically file non-automatic extensions and waivers.
4. Allow IRIS to intake other information returns, (1099 DA, 3921, 3922, 1097, 1098, 5498, 1042-S, W2-G, 8027, 8955, ACA forms, FATCA forms, FinCEN, K-1s, State Info forms, non-standard info returns).
5. Support the future retirement of legacy systems and applications.



### **Saturday, Sunday, or legal holiday**

- When a due date falls on Saturday, Sunday, or a legal holiday, the act is considered timely if it is performed no later than the next day that isn't a Saturday, Sunday, or legal holiday

### **Statewide legal holidays**

- Delays the due date only if the IRS office where you're required to file is located in that state
- Delays a return filing due date for individual residents of that state
- Doesn't delay a due date for making a federal tax deposit



# 2024 Federal Holidays

Date	Holiday
Monday, January 01	New Year's Day
Monday, January 15	Birthday of Martin Luther King, Jr.
Monday, February 19 *	Washington's Birthday
Monday, May 27	Memorial Day
Wednesday, June 19	Juneteenth National Independence Day
Thursday, July 04	Independence Day
Monday, September 02	Labor Day
Monday, October 14	Columbus Day
Monday, November 11	Veterans Day
Thursday, November 28	Thanksgiving Day
Wednesday, December 25	Christmas Day



- An electronic postmark is given by the authorized transmitter.
- The IRS received date is initially determined by the electronic postmark based on the transmitter's time zone, but it is the taxpayer's time zone that controls the timeliness of the electronically filed document.
- All accepted acknowledgments include the "IRS Received Date," which is the date that the IRS deems the return received.



# Dirty Dozen Scams

- **Online Account Setup Scam**
- **False Fuel Tax Credit Claims**



**Beware of offers to help you with your IRS Online Account.**

[irs.gov/dirtydozen](https://irs.gov/dirtydozen)  **IRS**

**Never work with a third party to create or access your account.**

False fuel credit claims are on this year's IRS Dirty Dozen list of scams and schemes.



**2023**

 **IRS** [irs.gov/dirtydozen](https://irs.gov/dirtydozen)



# Dirty Dozen Scams

- **Employee Retention Credit**
- **Email and Text Scams**



The IRS will never initiate contact with you by email, text or social media regarding a bill or tax refund.

[irs.gov/dirtydozen](https://irs.gov/dirtydozen)

**Tell a friend**



**Beware of schemes promoting improper claims of the Employee Retention Credit**

 **IRS** [irs.gov/dirtydozen](https://irs.gov/dirtydozen)



Upcoming Webinars

**“Impacts of Gaming on Tax Exempt Organizations”**  
April 18, 2024 (1 CE)



A friendly IRS reminder:



You can still benefit from a 2023 retirement contribution made by April 15, 2024.

[irs.gov/retirement](https://irs.gov/retirement)





# Feedback & Issues



Taishun Harrington

[Taishun.T.Harrington@IRS.Gov](mailto:Taishun.T.Harrington@IRS.Gov)

214-413-5020