



An Extended Guide · No. 2014

Selling a Few Things Online? Payment Apps, Taxes & the 1099-K

When it's income, when it
isn't, and the records to keep

Tech Made Simple — Service Made Personal

BillsHomeTech.com · (330) 200-8042 · Atwater, Ohio

Free & printable — share it with someone who needs it



Book a visit —
billshometech.com/book

! Read this first — selling your old stuff usually isn't taxable

If you're just clearing out the attic and selling used household things for less than you paid, that's generally not taxable income, and the recent panic about a '\$600 rule' has largely faded — the federal reporting threshold was raised back up. But the rules have whipsawed and vary by state, so this guide teaches the concepts and points you to a tax professional for your own situation. I'm a tech helper, not a tax advisor.

Selling online and the tax question

If you sell a few things through a payment app or marketplace, you may wonder about taxes and that '1099-K' form. This guide explains, in plain English, when a payment app reports income, what actually counts as a taxable sale, and the simple records to keep.

I'm Bill, from Bill's Home Tech here in Portage County, Ohio. The tax rules around payment apps have changed several times and confused a lot of good folks. Let me clear up the big ideas so you're not worried over nothing — or caught unaware.

A word up front: I'm not a tax professional, and this isn't tax advice. I'll teach the concepts and tell you plainly where to check the current rule or ask an accountant, because the specifics genuinely do shift.

★ Want help keeping simple records?

If you sell online and want a simple system to track it — so tax time is easy — call or text me at (330) 200-8042. I'll help you set up something painless.

The whole guide, on one page

The essentials, if you remember nothing else.

- ❑ Selling your used stuff for less than you paid is generally NOT taxable.
- ❑ Money from friends and family — gifts, splitting a bill, repaying a loan — is not income.
- ❑ The federal 1099-K reporting threshold was raised back to \$20,000 AND 200 transactions.
- ❑ A 1099-K is just a report; getting one doesn't automatically mean you owe tax.
- ❑ Real income is reportable even if you don't get a 1099-K.
- ❑ Some states set lower thresholds, and rules change — check with a tax professional.

✓ The reassuring headline

For most folks selling the odd used item, there's nothing to worry about. The tax talk really matters only if you're running what amounts to a business or selling things for more than you paid.

What a 1099-K actually is

Let's demystify the form that caused all the fuss.

A 1099-K is simply a form that a payment app or marketplace sends to you (and the IRS) summarizing the money you received for goods and services through them during the year. It's an information report — a heads-up to the IRS — not a tax bill. Receiving one doesn't by itself mean you owe anything.

The whole controversy was over how low the dollar threshold should be for triggering that form. A few years back a law set it very low (\$600), which alarmed casual sellers, but it was delayed and then changed, as we'll cover next.

✓ A report, not a bill

Think of a 1099-K like a bank's year-end summary: it's information, not a charge. Whether any of it is taxable depends on what the money was for — which is the real question.

Where the threshold stands now

After a lot of back-and-forth, here's the current federal picture.

A law passed in 2025 repealed the much-feared \$600 threshold and restored the older, higher federal threshold: a payment app or marketplace is required to send a 1099-K only when your goods-and-services payments exceed \$20,000 AND you have more than 200 transactions in the year. Both conditions generally have to be met.

That applies to recent tax years, including the current one. So the 'everyone selling a couch gets a tax form' worry has largely gone away at the federal level. Because tax law can change again, and this one has changed repeatedly, confirm the current threshold with the IRS or a tax professional when it matters to you.

! This rule has changed before — verify at tax time

The 1099-K threshold has whipsawed over the past few years. The figure above is current as of this writing, but check the IRS's current guidance or ask a tax professional at tax time, since it could shift again.

What actually counts as taxable — and what doesn't

This matters far more than any form threshold.

Generally NOT taxable

- Selling used personal items for **less than you paid** (most attic-clearing yard-sale-type sales).
- Money from friends and family: **gifts, splitting a bill, repaying a loan.**
- Reimbursements between friends.

Can BE taxable

- Selling something for **more than you paid** (a profit — think collectibles that went up in value).
- Regularly selling items you make or buy to resell — that's a **business.**
- Payments for **services** or side work.

✓ Profit is the key word

The tax question usually comes down to: did you make a profit, or are you running a business? Selling your old things at a loss is neither — and not taxable.

Keep goods-and-services separate from personal

How payments are labeled in the apps matters at tax time.

Payment apps distinguish 'goods and services' payments (buying and selling) from personal payments among friends and family. Only the goods-and-services kind counts toward a 1099-K. So when a friend pays you back for dinner, that should be sent as a personal payment, not tagged as a purchase — otherwise it can wrongly show up as business income.

If you both sell things and get paid back by friends through the same app, keeping those labeled correctly prevents a personal reimbursement from being mistaken for taxable sales. A little care in how payments are marked saves confusion later.

✓ Mark reimbursements as personal

When a friend repays you, make sure it's a personal (friends-and-family) payment, not a goods-and-services one. That keeps your dinner split from being counted as business income.

If you do get a 1099-K

Don't panic — here's how to think about it.

If a payment app sends you a 1099-K, it means your goods-and-services payments crossed the reporting threshold (or your state's lower one). It does not mean all of that is taxable income. You — or your tax preparer — sort out what was an actual taxable sale or profit and what wasn't (like personal items sold at a loss, or reimbursements that slipped in).

The key is having records that show what the money was for, so you can report accurately. If you get a 1099-K that includes non-taxable amounts, a tax professional can help you report it correctly so you're not taxed on money you don't owe tax on.

✓ A 1099-K is a starting point, not a verdict

Getting the form just means 'report this and explain it,' not 'you owe tax on all of it.' With good records, you or your preparer separate the taxable from the non-taxable.

The simple records worth keeping

A little record-keeping makes any tax question easy to answer.

- ❑ What you sold, when, and what you received for it.
- ❑ What you originally paid for the item, if you can recall or find it (shows a loss).
- ❑ Whether a payment was a sale or a personal reimbursement.
- ❑ Any costs of selling — shipping, fees — if you're actually running a business.
- ❑ Copies of any 1099-K forms you receive.

You don't need fancy bookkeeping for the occasional sale — a simple note or a spreadsheet is plenty. If you sell regularly enough that it feels like a business, more careful records (and a tax professional) are worth it.

★ I'll set up a painless tracker

If you sell online now and then, I can set you up with a dead-simple way to jot down what you sold and what you paid, so tax time is a non-event. Call (330) 200-8042.

Clearing the attic vs. running a business

This distinction drives most of the tax picture.

There's a real difference between occasionally selling your own used belongings and regularly buying or making things to sell for profit. The first is just decluttering — generally not taxable, usually at a loss. The second is a business, and its profits are taxable income you report whether or not you get a 1099-K.

If you've drifted from 'selling grandma's old dishes' into 'buying at estate sales to flip online every week,' you've likely crossed into business territory, and it's worth talking to a tax professional about doing it right. For the occasional sale, there's nothing to fret about.

✓ Regular + for profit = business

If you're selling regularly and aiming to profit, treat it as a business and keep real records. If you're just clearing out your own old things, relax — that's not what the tax rules are after.

Two ways people come to this — and both are fine

Some folks just declutter now and then; others have a little side hustle going. The tax picture differs quite a bit.

If you're just decluttering

You're selling your own used things, mostly at a loss.

- Relax — selling used items below what you paid generally isn't taxable.
- Keep a simple note of what you sold, just in case a 1099-K appears.
- Mark any friend reimbursements as personal, not goods-and-services.

If you've got a side hustle

You regularly sell things for profit, or sell a service.

- Treat it as a business: profits are reportable, 1099-K or not.
- Keep real records of sales, costs, and fees.
- Talk to a tax professional about doing it right from the start.

★ Either way, I'll help with the tech side

Decluttering or side-hustling, I can set up a simple tracking system and point you to an accountant if you need one. Call (330) 200-8042.

An important truth: income counts even without a form

The threshold is about forms, not about what's taxable.

A common misunderstanding is 'if I don't get a 1099-K, I don't owe tax.' That's not how it works. The threshold only decides whether a form is sent. Actual taxable income — a real profit, or earnings from a business or side work — is reportable whether or not any form shows up.

For most casual sellers this is moot, because selling used things at a loss isn't income in the first place. But if you are making money, the duty to report it doesn't vanish just because you stayed under the form threshold. When in doubt, a tax professional sorts it out.

! No form doesn't mean no tax

If you genuinely earned taxable income — a profit or side-work pay — it's reportable even with no 1099-K. The form threshold isn't a 'free under this amount' line; it just decides whether a report is mailed.

A note on state rules

The federal threshold isn't the whole story.

Some states set their own, lower 1099-K thresholds, so you might receive a form based on your state's rule even when you're under the federal one. This varies, and it's the kind of detail that changes. If you receive a form you didn't expect, a state rule may be why — and it still doesn't mean everything on it is taxable.

Because state rules differ and shift, a tax professional familiar with your state is the right person to ask if you sell enough to wonder. For the occasional sale, it's rarely an issue.

✓ A surprise form may be a state rule

If you get a 1099-K while under the federal threshold, your state's lower threshold is a likely reason. Keep your records; the form still isn't a tax bill.

Scams that target online sellers

Selling online invites a few predictable tricks worth knowing.

- **Overpayment scams:** a 'buyer' sends too much and asks you to refund the difference — the original payment later vanishes.
- **Fake payment confirmations:** emails claiming you've been paid, pushing you to ship before the real money arrives.
- **'Pay a fee to release your funds':** no legitimate app holds your sale money hostage for a fee.
- **Off-platform lures:** a buyer who wants to move to text and pay by an odd, irreversible method.

! Confirm the money's really in your account

Before shipping anything, confirm the payment has actually landed in your real account — not just an email saying so. Overpayment and fake-payment scams both rely on you acting before the (nonexistent) money clears.

Common mistakes and misunderstandings

Clear these up and the whole topic gets simpler.

- **Panicking over a 1099-K** as if it's a tax bill — it's just a report.
- **Thinking no form means no tax** — real income counts regardless.
- **Letting friend reimbursements** get tagged as goods-and-services.
- **Keeping no records**, then being unable to show a sale was at a loss.
- **Treating a real side business as a hobby** and not reporting profits.

✓ Records settle every argument

The single best habit is a simple record of what you sold and what you paid. It turns any tax question — or a surprise 1099-K — into a quick, answerable matter.

When to bring in a tax professional

Knowing when to ask saves worry and sometimes money.

For the occasional sale of your own used things, you almost certainly don't need a professional — there's no taxable income. But if you receive a 1099-K and aren't sure how to handle it, if you're selling regularly for profit, if you sell services or run a side business, or if a state rule has you confused, a tax professional is well worth the modest cost.

I'm glad to help with the technology — organizing records, understanding the apps — but the tax return itself is an accountant's domain, and I'll always point you to one rather than guess. Getting it right once is cheaper than fixing it later.

★ I'll help you get organized for a pro

If you need an accountant, I can help you gather and organize your records so their job is quick and your cost is low. Call (330) 200-8042 and I'll point you to the right help.

Which apps and marketplaces send these forms

A quick sense of where a 1099-K might come from.

Payment apps and marketplaces that process goods-and-services payments — the likes of PayPal, Venmo, Cash App for business/goods payments, and online selling platforms — are the ones that issue 1099-K forms when you cross the threshold. Personal-only transfers among friends don't generate one.

If you sell across several platforms, each tracks your goods-and-services payments separately, so you could get more than one form. Keeping your own simple running record across all of them gives you the full picture regardless of which forms arrive.

✓ Your own record beats scattered forms

If you sell on more than one platform, a single simple list of your sales is clearer than piecing together separate forms. It's your master copy of what actually happened.

Putting your mind at ease

For most readers, this guide's real message is 'don't worry.'

If you're an ordinary person selling the occasional used item, helping the grandkids offload some things, or getting paid back by friends, the tax machinery here almost certainly doesn't touch you. The scary headlines were about a threshold that got rolled back, and personal money was never income to begin with.

Keep a light record if it makes you feel better, mark reimbursements as personal, and carry on. Save the real attention for if and when you cross into regular, for-profit selling — and even then, a good accountant makes it simple.

✓ Most of you can relax

Clearing out the house and splitting dinners with friends isn't taxable business. If that's you, breathe easy — this whole topic is mostly someone else's problem.

A simple approach to it all

Put it together and the whole subject is manageable.

- ❑ Mark friend reimbursements as personal, not goods-and-services.
- ❑ Keep a light note of what I sell and what I paid.
- ❑ Remember a 1099-K is a report, not a bill.
- ❑ Remember real income counts even without a form.
- ❑ Don't panic over used items sold at a loss — that's not income.
- ❑ If I sell for profit or regularly, keep real records and ask a pro.

★ I'll help you set the simple system up

A five-minute setup for tracking the occasional sale means you never have to think hard about this again. Call (330) 200-8042.

Your selling-and-taxes checklist

The whole guide, boiled down.

- ☐ I know selling used things at a loss generally isn't taxable.
- ☐ I mark friend reimbursements as personal payments.
- ☐ I understand the federal 1099-K threshold is \$20,000 and 200 transactions (verify — it's changed before).
- ☐ I keep a simple record of sales and what I paid.
- ☐ I know a 1099-K is a report, and that income counts even without one.
- ☐ For regular, for-profit selling, I keep real records and consult a pro.

★ Want help getting set up?

If you sell online and want a painless record system — or need pointing to a good accountant — call (330) 200-8042.

Common Questions

The selling-and-taxes questions I hear most, answered plainly.

Q: I sold some old furniture online — do I owe tax?

Almost certainly not. Selling your own used items for less than you paid is generally not taxable income. The tax rules are aimed at profits and businesses, not at clearing out your house.

Q: Didn't the threshold drop to \$600?

It was set that low, then delayed, and in 2025 a law raised it back to \$20,000 AND more than 200 transactions at the federal level. The \$600 panic has largely gone away — but the rule has changed before, so verify at tax time.

Q: If I don't get a 1099-K, am I in the clear?

Not necessarily. The threshold only decides whether a form is sent. Actual taxable income — a profit or side-work earnings — is reportable even without a form. For used items sold at a loss, though, there's no income to report.

Q: A friend paid me back through an app — is that income?

No. Money from friends and family — reimbursements, gifts, splitting a bill — isn't taxable income. Just make sure it's sent as a personal payment, not tagged as goods-and-services.

Q: I got a 1099-K — now what?

Don't panic — it's a report, not a bill. With your records, you (or a tax preparer) separate any actual taxable sales from non-taxable amounts like personal items sold at a loss. A tax professional can help you report it correctly.

★ Still have a question?

Call or text me at (330) 200-8042. I'll explain the concepts plainly and, for your actual return, point you to a good accountant — I'm a tech helper, not a tax advisor.

The quick recap

Selling online and taxes, in one glance.

- ❑ Selling used things at a loss generally isn't taxable.
- ❑ Friend-and-family money isn't income — mark it personal.
- ❑ Federal 1099-K threshold: \$20,000 and 200 transactions (verify; it's changed).
- ❑ A 1099-K is a report, not a tax bill.
- ❑ Real income counts even without a form.
- ❑ Keep a simple record of what you sold and paid.
- ❑ Regular, for-profit selling is a business — keep records, ask a pro.

✓ Mostly, relax

For the occasional sale and splitting bills with friends, there's nothing to worry about. Keep light records, and save the real attention for genuine for-profit selling.

You don't have to do this alone

You just have to remember that a friendly, patient person is one call away.

I hope this guide made understanding payment apps, selling, and the 1099-K feel a little less daunting and a lot more doable. Keep it in a drawer with your other home papers, come back to a page whenever you need it, and don't worry about memorizing anything.

When you'd rather have a hand, that's exactly what I do. I come to your home, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat \$99, and for the parts that don't need me on-site I can often help right on your screen for \$49. Every visit comes with a 30-day, come-back-free guarantee. I'm a tech helper, not a bank, a lawyer, or a financial advisor — for disputes, taxes, or legal questions I'll help you reach the right people and prepare what you need.

★ Bill's Home Tech — real help, close to home

Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

Taxable or Not?

What the rules are really after

	Generally NOT taxable	Can BE taxable
Used stuff at a loss	Yes -- not income	--
Friend reimbursements	Yes -- not income	--
Selling at a profit	--	Yes
A regular side business	--	Yes

Profit or a business is the target -- not clearing out your attic.

The Threshold Story

Why the panic faded



Current federal threshold is \$20,000 AND 200 -- but verify at tax time.

A 1099-K Is...

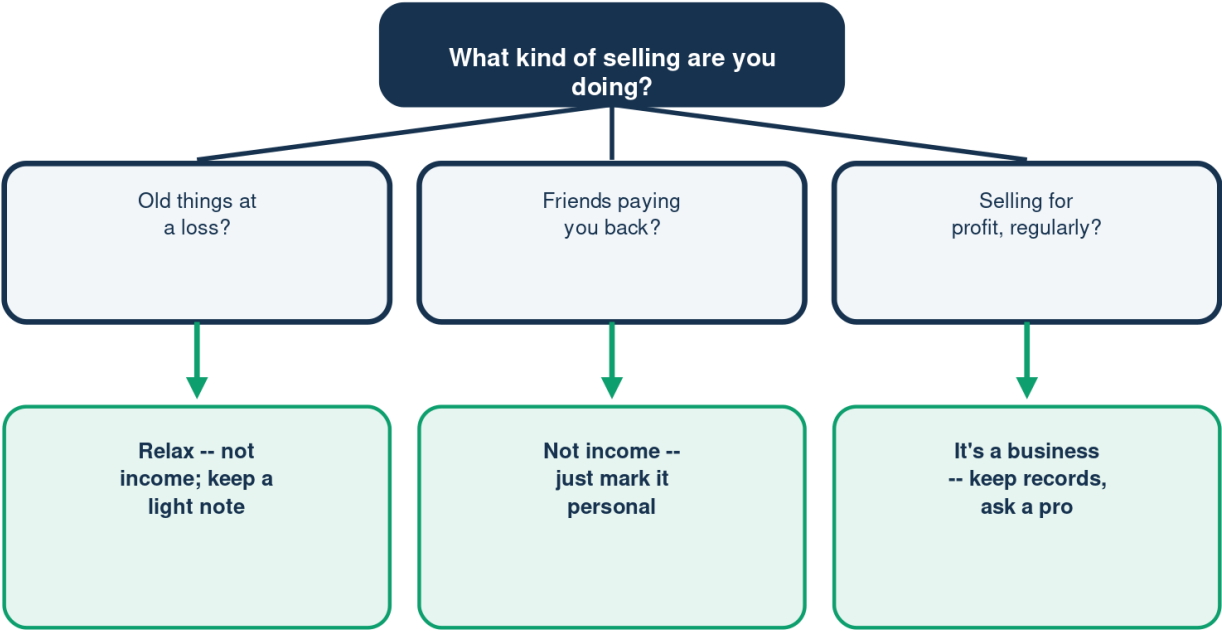
Clearing up the biggest myth

	It IS	It is NOT
Nature	A report	A tax bill
Means you owe?	Not by itself	--
Covers	Goods & services	Personal money
No form =	--	No tax (false!)

Income is reportable even without a form; a form isn't a verdict.

Do I Need to Worry?

A quick self-check



This isn't tax advice -- confirm your situation with a tax professional.

Illustration - a schematic, not to scale. Your setup may differ.



Need a Real Person?

You do not have to remember all of it.
You just have to remember you can call.
Friendly, in-home tech help -- I come to you.

BILL'S PROMISE

If you are not 100% happy with a visit, I will make it right -- or refund it. No awkwardness, no fine print. That is how I would want to be treated.

(330) 200-8042 · BillsHomeTech.com

Bill@BillsHomeTech.com · Mon–Sat 9:00 AM – 7:30 PM

— Bill

Prefer help without a visit?

Bill can screen-share and fix many things remotely — a flat \$49, free for Support Plan members.



A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

— *Bill*



Book a visit —
billshometech.com/book

Use of these guides is subject to our Terms of Use (billshometech.com/terms-of-use).

(330) 200-8042 · BillsHomeTech.com

Bill@BillsHomeTech.com · Mon–Sat 9:00 AM – 7:30 PM

For general information only — not professional advice. Use at your own risk. For electrical, gas, water, or ladder work, please call a licensed professional. — Bill's Home Tech