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118TH CONGRESS
1ST SESSION

H. R. 3991

To amend the Internal Revenue Code of 1986 to increase the threshold for requiring information reporting with respect to certain payees.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

Mr. SCHWEIKERT (for himself, Ms. TENNEY, Mr. FERGUSON, Ms. VAN DUYNE, Mrs. MILLER of West Virginia, Mr. STEUBE, Mr. SMITH of Nebraska, and Mr. WENSTRUP) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to increase the threshold for requiring information reporting with respect to certain payees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Paperwork Savings Act''.

SEC. 2. INCREASE IN THRESHOLD FOR REQUIRING INFORMATION REPORTING WITH RESPECT TO CERTAIN PAYEES.

(a) IN GENERAL.—Sections 6041(a) of the Internal Revenue Code of 1986 is amended by striking ''$600'' and inserting ''$5,000''.

(b) INFLATION ADJUSTMENT.—Section 6041 of such Code is amended by adding at the end the following new subsection:

''(h) INFLATION ADJUSTMENT.—In the case of any calendar year after 2024, the dollar amount in subsection (a) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2023' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of $100, such increase shall be rounded to the nearest multiple of $100.''.

(c) APPLICATION TO REPORTING ON REMUNERATION FOR SERVICES AND DIRECT SALES.—Section 6041A of such Code is amended—

(1) in subsection (a)(2), by striking ''is $600 or more'' and inserting ''equals or exceeds the dollar

amount in effect for such calendar year under section 6041(a)'', and

(2) in subsection (b)(1)(B), by striking ''is $5,000 or more'' and inserting ''equals or exceeds the dollar amount in effect for such calendar year under section 6041(a)''.

(d) Application To Backup Withholding.—Section 3406(b)(6) of such Code is amended—

(1) by striking ''$600'' in subparagraph (A) and inserting ''the dollar amount in effect for such calendar year under section 6041(a)'', and

(2) by striking ''ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS $600 OR MORE'' in the heading and inserting ''ONLY IF IN EXCESS OF THRESHOLD''.

(e) Conforming Amendments.—

(1) The heading of section 6041(a) of such Code is amended by striking ''of $600 or More'' and inserting ''Exceeding Threshold''.

(2) Section 6041(a) of such Code is amended by striking ''taxable year'' and inserting ''calendar year''.

(f) Effective Date.—The amendments made by this section shall apply with respect to payments made after December 31, 2023.

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