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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

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

Mr. SCHWEIKERT introduced the following bill; which was referred to the
Committee on _____

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Paper-
5 work Savings Act”.

1 **SEC. 2. INCREASE IN THRESHOLD FOR REQUIRING INFOR-**
2 **MATION REPORTING WITH RESPECT TO CER-**
3 **TAIN PAYEES.**

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

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

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

13 “(1) such dollar amount, multiplied by

14 “(2) the cost-of-living adjustment determined
15 under section 1(f)(3) for such calendar year, deter-
16 mined by substituting ‘calendar year 2023’ for ‘cal-
17 endar year 2016’ in subparagraph (A)(ii) thereof.

18 If any increase under the preceding sentence is not a mul-
19 tiple of \$100, such increase shall be rounded to the nearest
20 multiple of \$100.”.

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

24 (1) in subsection (a)(2), by striking “is \$600 or
25 more” and inserting “equals or exceeds the dollar

1 amount in effect for such calendar year under sec-
2 tion 6041(a)”, and

3 (2) in subsection (b)(1)(B), by striking “is
4 \$5,000 or more” and inserting “equals or exceeds
5 the dollar amount in effect for such calendar year
6 under section 6041(a)”.

7 (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-
8 tion 3406(b)(6) of such Code is amended—

9 (1) by striking “\$600” in subparagraph (A)
10 and inserting “the dollar amount in effect for such
11 calendar year under section 6041(a)”, and

12 (2) by striking “ONLY WHERE AGGREGATE FOR
13 CALENDAR YEAR IS \$600 OR MORE” in the heading
14 and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

15 (e) CONFORMING AMENDMENTS.—

16 (1) The heading of section 6041(a) of such
17 Code is amended by striking “OF \$600 OR MORE”
18 and inserting “EXCEEDING THRESHOLD”.

19 (2) Section 6041(a) of such Code is amended
20 by striking “taxable year” and inserting “calendar
21 year”.

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply with respect to payments made
24 after December 31, 2023.