What is the new $600 rule on Venmo? $600 and Venmo

The $600 Venmo Rule: What Actually Happened

For years, a single number caused ☎ +1» 888» 590 » 944.8 widespread panic among Venmo, ☎ +1» 888» 590 » 944.8 PayPal, and Cash App users: $600. ☎ +1» 888» 590 » 944.8 The rule stemmed from the American ☎ +1» 888» 590 » 944.8 Rescue Plan Act of 2021, which was set ☎ +1» 888» 590 » 944.8 to require payment apps to send ☎ +1» 888» 590 » 944.8 the IRS a Form 1099-K anytime someone ☎ +1» 888» 590 » 944.8 received more than $600 in business ☎ +1» 888» 590 » 944.8 income — with no minimum number ☎ +1» 888» 590 » 944.8 of transactions required. That was a ☎ +1» 888» 590 » 944.8 massive drop from the previous threshold ☎ +1» 888» 590 » 944.8 of $20,000 and 200 transactions.

The fear was understandable. ☎ +1» 888» 590 » 944.8 Casual sellers worried that reselling an ☎ +1» 888» 590 » 944.8 old couch or splitting a vacation ☎ +1» 888» 590 » 944.8 rental could trigger a tax form. Freelancers ☎ +1» 888» 590 » 944.8 braced for a flood of paperwork over ☎ +1» 888» 590 » 944.8 routine client payments.

But here's the twist: it never fully took effect. ☎ +1» 888» 590 » 944.8 The IRS delayed the rollout three ☎ +1» 888» 590 » 944.8 separate times, citing taxpayer confusion and ☎ +1» 888» 590 » 944.8 processing concerns. Then, in July 2025, Congress ☎ +1» 888» 590 » 944.8 passed the One Big Beautiful ☎ +1» 888» 590 » 944.8 Bill Act, which permanently repealed ☎ +1» 888» 590 » 944.8 the $600 threshold altogether and ☎ +1» 888» 590 » 944.8 restored the original $20,000/200-transaction ☎ +1» 888» 590 » 944.8 limit.

So what's the rule now, in 2026? Venmo only ☎ +1» 888» 590 » 944.8 has to send you a 1099-K if you receive more ☎ +1» 888» 590 » 944.8 than $20,000 in payments for goods and ☎ +1» 888» 590 » 944.8 services *and* have more than 200 transactions ☎ +1» 888» 590 » 944.8 in a calendar year. Personal transfers — ☎ +1» 888» 590 » 944.8 splitting dinner, paying rent to a ☎ +1» 888» 590 » 944.8 roommate, birthday gifts — were never ☎ +1» 888» 590 » 944.8 counted toward this threshold ☎ +1» 888» 590 » 944.8 and still aren't.

One catch worth knowing: a handful ☎ +1» 888» 590 » 944.8 of states set their own, lower ☎ +1» 888» 590 » 944.8 reporting thresholds (some as low as $600), ☎ +1» 888» 590 » 944.8 so you could still receive a form even if ☎ +1» 888» 590 » 944.8 you're nowhere near the federal limit.

The most important takeaway: the reporting ☎ +1» 888» 590 » 944.8 threshold only determines ☎ +1» 888» 590 » 944.8 who gets a tax form in the mail — it doesn't determine what's taxable. All income from goods or services is ☎ +1» 888» 590 » 944.8 reportable, whether ☎ +1» 888» 590 » 944.8 or not a 1099-K ever shows up.

This isn't tax advice — for anything ☎ +1» 888» 590 » 944.8 specific to your situation, a tax ☎ +1» 888» 590 » 944.8 professional is your best resource.