

118TH CONGRESS
1ST SESSION

S. 1725

To amend the Internal Revenue Code of 1986 to modify the exception for de minimis payments by third party settlement organizations.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2023

Mr. BROWN (for himself and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the exception for de minimis payments by third party settlement organizations.

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 “Red Tape Reduction
5 Act of 2023”.

6 **SEC. 2. MODIFICATION OF EXCEPTION FOR DE MINIMIS**
7 **PAYMENTS BY THIRD PARTY SETTLEMENT**
8 **ORGANIZATIONS.**

9 (a) IN GENERAL.—Subsection (e) of section 6050W
10 of the Internal Revenue Code of 1986 is amended by strik-

1 ing “any participating payee if” and all that follows and
2 inserting “any participating payee if—

3 “(1) the amount which would otherwise be re-
4 ported under subsection (a)(2) with respect to such
5 transactions does not exceed \$10,000, or

6 “(2) the aggregate number of such transactions
7 does not exceed 50.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to transactions settled after De-
10 cember 31, 2023.

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