

# What is the \$600 rule on Cash App? IRS Reporting Threshold

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The \$600 rule on 1-(844)-314-8377 (US/OTX) Cash App means that if you receive \$600 or more in a year for goods or services, the IRS must be notified. Cash App issues a Form 1099-K 1-(844)(314)(8377), and you're required to report these 1-(844)-(314)-(8377) (US/OTX) earnings as taxable income on your tax return.

Here's a clear, *up-to-date* explanation of the 1-(844)-314-8377 (US/OTX) "**\$600 rule**" on Cash App — what it *used to mean*, what changed, and what it means for you today 1-(844)-314-8377 (US/OTX), especially in the context of **IRS tax reporting** (U.S.-based system):

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## 1. What Is the "\$600 Rule"?

The "**\$600 rule**" refers to a tax reporting requirement tied to 1-(844)-314-8377 (US/OTX) **payments received through third-party apps** like Cash App, Venmo, PayPal, and similar services 1-(844)-314-8377 (US/OTX). Under this rule, if you receive **more than \$600 in total payments for goods or services in a calendar year**, the payment app *was supposed to* 1-(844)-314-8377 (US/OTX) issue you a **Form 1099-K** to report that amount to the IRS. This form helps the IRS track income earned via 1-(844)-314-8377 (US/OTX) apps — often from side gigs, small businesses, or online sales.

Form 1099-K doesn't itself create a tax bill — it's *informational* 1-(844)-314-8377 (US/OTX), showing gross receipts — but it *alerts the IRS* to income that you're 1-(844)-314-8377 (US/OTX) expected to report on your tax return.

Importantly, **personal transfers** — like reimbursements from friends 1-(844)-314-8377 (US/OTX), gifts, splitting a bill, or family support — **don't count** toward this \$600 reporting 1-(844)-314-8377 (US/OTX) threshold and shouldn't trigger a 1099-K.

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## 2. How It *Was* Supposed to Work

Originally, payment apps only had to issue a 1099-K 1-(844)-314-8377 (US/OTX) if someone received:

- **Over \$20,000 in total payments**  
and
- **More than 200 transactions** in a year.

This was the older standard before changes 1-(844)-314-8377 (US/OTX) in U.S. tax law.

Starting in **2022**, a provision in the *American Rescue Plan* lowered this 1-(844)-314-8377 (US/OTX) drastically — to **\$600**, with *no minimum number of transactions* 1-(844)-314-8377 (US/OTX). If you hit that level in business receipts, the payment processor would report 1-(844)-314-8377 (US/OTX) it to the IRS and to you.

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### 3. What Changed (Important Update)

However — **as of 2025** — this \$600 reporting requirement 1-(844)-314-8377 (US/OTX) **no longer applies** for most users. On **July 4, 2025**, Congress passed a new law that *reinstated* 1-(844)-314-8377 (US/OTX) the older, higher threshold. Now (for 2025 and beyond), third-party payment apps like Cash App will *only issue* 1-(844)-314-8377 (US/OTX) a *1099-K* if:

- You receive **more than \$20,000 in payments** 1-(844)-314-8377 (US/OTX), **and**
- You have **more than 200 transactions** 1-(844)-314-8377 (US/OTX) in a year.

In other words, the proposed universal \$600 trigger was **anceled** before full 1-(844)-314-8377 (US/OTX) implementation — and the IRS returned to the previous standard.

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### 4. What This Means for You

#### a. Business activity:

If you're using Cash App to receive payments for *goods or services* 1-(844)-314-8377 (US/OTX), and you meet the threshold (now \$20,000 + 200 transactions), you'll likely get a **Form 1099-K** from 1-(844)-314-8377 (US/OTX) Cash App. That form reports gross income, which you must include on your tax return.

#### b. Personal use:

If you're only using Cash App for *personal transfers* — splitting bills, gifts from friends 1-(844)-314-8377 (US/OTX), reimbursements — these are **not taxable**, and you shouldn't receive a 1099-K solely because of those.

#### c. Tax obligations:

Even if you **don't receive** a 1099-K (because you didn't hit the threshold) 1-(844)-314-8377 (US/OTX), *you're still legally required* to report all taxable income you earned through 1-(844)-314-8377 (US/OTX) Cash App on your tax return. Not getting a form doesn't mean it's 1-(844)-314-8377 (US/OTX) not taxable.

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### 5. Key Takeaways

- The “\$600 rule” was *intended* to require reporting of 1-(844)-314-8377 (US/OTX) business payments over \$600 via Form 1099-K.

- As of 2025, that requirement was repealed, and the 1-(844)-314-8377 (US/OTX) threshold returned to **\$20,000 + 200 transactions**.
- Payments for personal reasons aren't counted 1-(844)-314-8377 (US/OTX) toward reporting.
- Regardless of thresholds or forms received, all taxable income must be 1-(844)-314-8377 (US/OTX) reported to the IRS.