



## I Sold an Extra Concert Ticket Online – Do I Have to Report It on My Taxes?

## BY SCOTT C. CASHMAN • MARCH 23, 2023

A friend backs out of the long-planned group outing to see Taylor Swift's opening night of "The Eras Tour" in Glendale, Arizona. Rather than have the ticket go unused you decide to sell the extra ticket online. Do you have to report the sale of the ticket on your 2023 income taxes?

Recently updated guidance FS-2023-06 dated March 23, 2023, from the Internal Revenue Service, explains how a taxpayer would report the sale of the extra Taylor Swift concert ticket, as well as other issues surrounding implementation of the new 1099-K reporting regime.

The Fact Sheet in Q & A format explains how taxpayers would report gain on the sale of concert or athletic tickets as well as the sale of personal items when the taxpayer receives a Form 1099-K.

Assuming the taxpayer sold the extra ticket at a gain, the sale would be reported on Schedule D. If the sale was at a loss, the transaction would be reported as "other income" and the loss would not be allowed since personal losses are not deductible.

The new 1099-K reporting rules require payment card or third party settlement organizations to report transactions of more than \$600 in a calendar year. The new rules were originally required to be implemented in 2022 but in December 2022 the IRS announced in Notice 2023-10 that the new reporting regime would be delayed for the years beginning before January 1, 2023.

The new reporting regime is somewhat controversial as discussed in our February 2022 blog "Postscript on Increased Reporting to the IRS for PayPal, Venmo, Third-Party Payment Networks," and some call this a crackdown on the "gig economy." As the 2023 tax filing season comes to a close and tax professionals start to focus on the year ahead, much more is sure to be written about these new rules.

