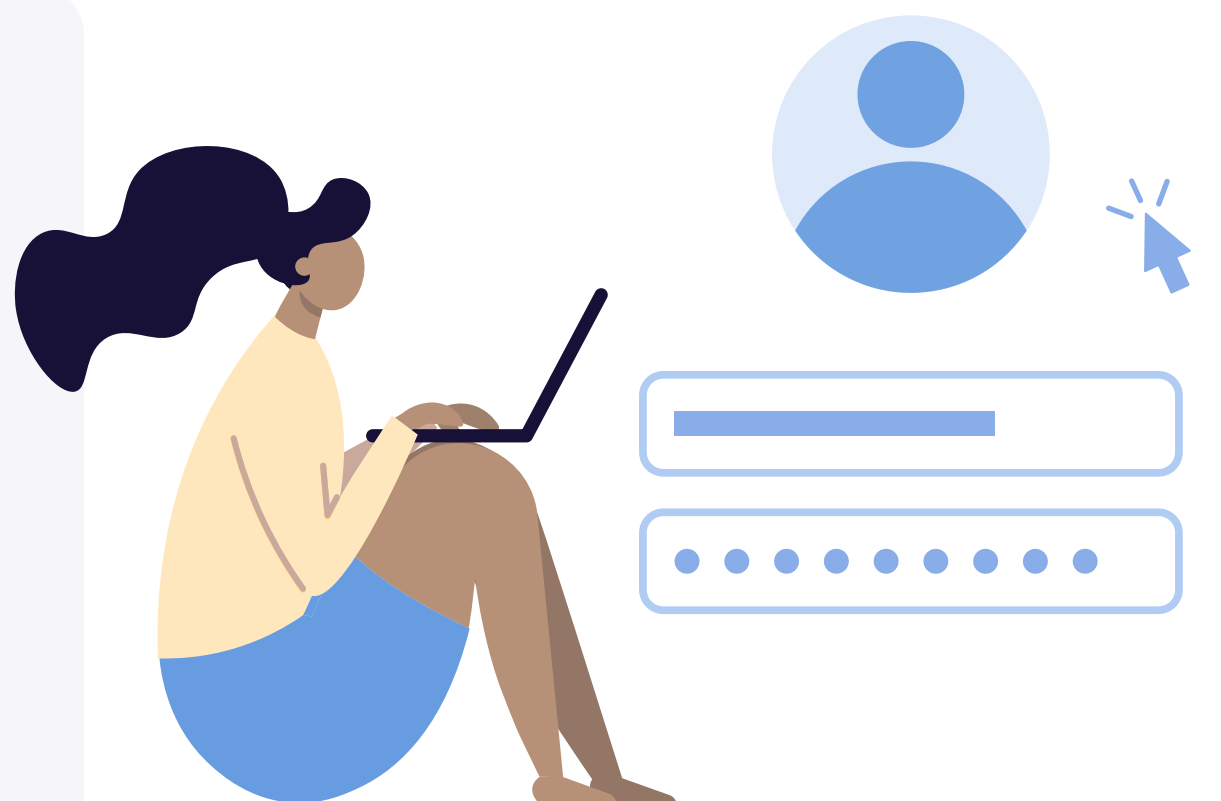


Tax Preparation Checklist for Online Sellers

01

Confirm eBay has your information.

To comply with new IRS reporting requirements, eBay may ask you for your full Social Security number, Individual Taxpayer Identification Number, or Employer Identification Number (previously, you may have only reported the last four digits). If needed, eBay will ask you to verify any personal information via their secure site to avoid processing delays and potential restrictions on your eBay account.



02

Keep detailed records.

We all know it's important to provide the IRS with accurate information, but it's even more critical to have the documentation to prove it. Make sure you keep track of your income (gross receipts, refunds, returns, etc.) and selling expenses, such as shipping costs or fees paid to eBay. This ensures correct reporting and could also help you identify potential tax breaks!



03

Be aware of what tax forms you need.

In 2023, many more sellers will be receiving Form 1099-K detailing their total eBay sales in 2022—use this as a reference when reporting any income on your tax return. Business sales should be reported using Schedule C, while casual or hobby sellers must report any profits as capital gains using Schedule D.



04

Know what tax deductions you can claim.

Don't leave money on the table! If you're a business seller on eBay, you may be able to deduct expenses such as self-employment taxes, IRA contributions, business startup and advertising costs, office supplies, healthcare costs, and more. Review your deductible business expenses and make sure to report them on your tax return.



05

Request an extension if you need one.

Feeling overwhelmed and need more time to file? That's okay! Consider filing a tax extension with the IRS to receive six additional months to file your return. The tax extension deadline is usually Oct. 15, though it can vary year to year. But be careful—your tax payment is still due by the April 2023 tax deadline, even if you file for an extension. TaxAct can help by walking you through the extension filing process and helping you pay any estimated taxes due if needed.



For more resources, check out blog.taxact.com/ebay

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