



25<sup>th</sup>  
ANNIVERSARY

1420 New York Avenue NW, Suite 825  
Washington, D.C. 20005  
www.technet.org | @TechNetUpdate

December 15, 2022

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Leader McConnell, and Leader McCarthy:

On behalf of TechNet, I write to thank you for your leadership in advancing government funding measures for fiscal year 2023. We appreciate that your efforts have been comprehensive and bipartisan and look forward to a robust measure passing before the end of the 117th Congress. As you craft a final package, we urge you to include TechNet's top priorities, which include H.R. 5502, the *Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act* (or INFORM Consumers Act), the *Improving Digital Identity Act*, an increase in the 1099-K tax reporting threshold, and a permanent fix for R&D expensing.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. Our [membership](#) includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over five million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

One of TechNet's top priorities this Congress has been addressing organized retail crime, which not only jeopardizes consumer safety, but costs businesses billions annually. To address this challenge, we ask that Congress pass H.R. 5502, the *Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act* (or the INFORM Consumers Act), which would improve consumer safety in online marketplaces by increasing transparency. The bill would establish a uniform national standard that sellers could follow to share information about their products, but is structured so as to not expose small sellers to compliance risk. States across the country are increasingly considering versions of the INFORM Act,

but rather than allowing a patchwork of online marketplace regulations to develop, we urge Congress to set practical, national standards for the benefit of online sellers of all sizes. The INFORM Act has overwhelming bipartisan, bicameral support in Congress, as well as from online marketplaces, consumer protection groups, retailers, manufacturers, law enforcement groups, and [stakeholders](#) from across the country.

TechNet also urges the inclusion of the *Improving Digital Identity Act*, legislation introduced by Senators Krysten Sinema (D-AZ) and Cynthia Lummis (R-WY) as S. 4528, and by Representatives Bill Foster (D-IL) and John Katko (R-NY) as H.R. 4258. This legislation would create a public-private task force on digital identity that will improve cybersecurity and Americans' ability to conveniently access critical services online. It would also establish a grant program at the Department of Homeland Security to support the creation of interoperable identity credentialing systems for digital identity verification on the state and local levels. The House version of this legislation has received bipartisan support and cleared the House Committee on Oversight and Reform. According to [Javelin Strategy and Research](#), in 2021, 42 million Americans were the victims of identity fraud attacks, resulting in personal losses totaling \$52 billion. With the number of [successful security breaches on the rise](#), this legislation provides innovative tools to fight fraud and identity theft and increase confidence in online transactions.

We also ask Congress to address the urgent matter of raising the 1099-K tax reporting threshold. The *American Rescue Plan Act of 2021* included language steeply lowering the 1099-K reporting threshold for "third party settlement organizations" from \$20,000 annually to \$600 annually, negatively impacting many of our members. The lowering of the 1099-K threshold adds significant and unnecessary burdens to casual sellers on online marketplaces, entrepreneurs, and microbusinesses, many times capturing sales that are non-taxable events for income tax purposes. Whether you are a working mother casually selling online to help make ends meet, a senior renting space in a home through an online service, or a new graduate dipping their toe in starting a business, the lowered reporting requirements will lead to confusion, complexity, added cost of professional tax services, and overreporting of income. It will also place a significant burden on the already stretched Internal Revenue Service that will have to deal with tens of millions more 1099-K filings and will be unable to answer the millions of new taxpayer questions resulting from this change. We believe that necessary reforms can be advanced through a bipartisan and bicameral commitment to foster online commerce in goods and services. Multiple pieces of legislation raising the 1099-K threshold have been introduced by both Democrats and Republicans to provide critical protection for casual sellers, entrepreneurs, and microbusinesses. We urge you to work together to find a solution and to provide immediate relief on 1099-K reporting for hard-working Americans.

Finally, we urge Congress to eliminate amortization for research and development expenses. The U.S. tax code has long catalyzed innovation, in part for its recognition of the importance of research and development. However, this new policy will place financial burdens on the nation's innovators, when their contributions are more important than ever in addressing the most pressing challenges of our time. Thousands of jobs and billions of dollars will be lost because of changes to R&D amortization this year, and we hope Congress will act to reverse this unfortunate policy.

Thank you again for your leadership on crafting a funding bill that will enable a year of growth and opportunity. We appreciate your consideration of our perspective on these important issues. Please do not hesitate to reach out if we can be a resource on these matters.

Sincerely,

A handwritten signature in blue ink that reads "Linda Moore". The signature is written in a cursive, flowing style.

Linda Moore  
President and CEO

