

1 **SEC. \_\_\_\_ . INFORMATION REPORTING ON ELECTRONIC PAY-**  
2 **MENT MECHANISM REIMBURSEMENTS.**

3 (a) IN GENERAL.—Subpart B of part III of sub-  
4 chapter A of chapter 61 of the Internal Revenue Code of  
5 1986 (relating to information concerning transactions  
6 with other persons) is amended by adding at the end the  
7 following new section:

8 **“SEC. 6050W. RETURNS RELATING TO ELECTRONIC PAY-**  
9 **MENT MECHANISM REIMBURSEMENTS.**

10 “(a) IN GENERAL.—Each qualified payment  
11 facilitator shall render a true and accurate return to the  
12 Secretary, under such regulations and in such form and  
13 manner as may be prescribed by the Secretary, setting  
14 forth—

15 “(1) the name and address of each partici-  
16 pating merchant to whom such qualified payment  
17 facilitator made a payment during the calendar year  
18 in settlement of a purchase made through an elec-  
19 tronic payment mechanism, and

20 “(2) the aggregate amounts of such payments  
21 made during such calendar year to each such par-  
22 ticipating merchant.

23 “(b) DEFINITIONS.—For purposes of this section—

1           “(1) QUALIFIED PAYMENT FACILITATOR.—The  
2 term ‘qualified payment facilitator’ means any per-  
3 son enrolling or accepting a participating merchant  
4 to accept an electronic payment mechanism.

5           “(2) PARTICIPATING MERCHANT.—The term  
6 ‘participating merchant’ means any taxpayer that is  
7 a party to a continual agreement to use an electronic  
8 payment mechanism as payment for goods and serv-  
9 ices in connection with a trade or business.

10           “(3) ELECTRONIC PAYMENT MECHANISM.—The  
11 term ‘electronic payment mechanism’ means any ac-  
12 count or card which is sponsored or issued by an  
13 electronic payment organization and which, upon  
14 presentation to a participating merchant, represents  
15 an agreement to pay the participating merchant  
16 through the electronic payment organization.

17           “(4) ELECTRONIC PAYMENT ORGANIZATION.—  
18 The term ‘electronic payment organization’ means  
19 an entity that sets the standards and provides the  
20 mechanism for effectuating payment between a pur-  
21 chaser and a participating merchant through an  
22 electronic payment mechanism.

23           “(c) STATEMENTS TO BE FURNISHED TO PERSONS  
24 WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—  
25 Every qualified payment facilitator required to make a re-

1 turn under subsection (a) shall furnish to each partici-  
2 pating merchant listed on such return a written statement  
3 showing—

4           “(1) the name, address, and phone number of  
5 the information contact of qualified payment  
6 facilitator, and

7           “(2) the aggregate amount of payments to such  
8 participating merchant required to be shown on the  
9 return.

10 The written statement required under the preceding sen-  
11 tence shall be furnished to the participating merchant on  
12 or before January 31 of the year following the calendar  
13 year for which the return under subsection (a) was re-  
14 quired to be made.”.

15       (b) PENALTY FOR FAILURE TO FILE.—

16           (1) RETURN.—Subparagraph (B) of section  
17 6724(d)(1) of the Internal Revenue Code of 1986  
18 (relating to definitions) is amended—

19           (A) by striking “or” at the end of clause  
20 (xx),

21           (B) by redesignating the clause (xix) that  
22 follows clause (xx) as clause (xxi),

23           (C) by striking the period at the end of  
24 clause (xxi), as redesignated by subparagraph  
25 (B) and inserting “, or”, and

1 (D) by adding at the end the following:

2 “(xxii) section 6050W (relating to re-  
3 turns relating to electronic payment mech-  
4 anism reimbursements).”.

5 (2) STATEMENT.—Paragraph (2) of section  
6 6724(d) of such Code is amended by striking “or”  
7 at the end of subparagraph (BB), by striking the pe-  
8 riod at the end of the subparagraph (CC) and in-  
9 serting “, or”, and by inserting after subparagraph  
10 (CC) the following new subparagraph:

11 “(DD) section 6050W(e) (relating to re-  
12 turns relating to electronic payment mechanism  
13 reimbursements).”.

14 (c) BACKUP WITHHOLDING.—Section 3406(b)(3) of  
15 the Internal Revenue Code of 1986 (relating to other re-  
16 portable payment) is amended by striking “or” at the end  
17 of subparagraph (D), by striking the period at the end  
18 of subparagraph (E) and inserting “, or”, and by adding  
19 at the end the following:

20 “(F) section 6050W (relating to returns  
21 relating to electronic payment mechanism reim-  
22 bursements).

23 Under regulations established by the Secretary, such  
24 term shall not include any payment required to be  
25 shown on a return required under section 6050W if

1 the qualified payment facilitator (as defined in sec-  
2 tion 6050W(b)(1)) or electronic payment organiza-  
3 tion (as defined in section 6050W(b)(4)) has vali-  
4 dated the TIN of the payee.”.

5 (d) CLERICAL AMENDMENT.—The table of sections  
6 for subpart B of part III of subchapter A of chapter 61  
7 of the Internal Revenue Code of 1986 is amended by in-  
8 serting after the item relating to section 6050V the fol-  
9 lowing new item:

“Sec. 6050W. Returns relating to electronic payment mechanism reimburse-  
ments.”.

10 (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to payments made after December  
12 31, 2009.