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Tax rules can vary on eBay

ON BUSINESS

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Selling things on eBay can be lucrative. But it also can be taxing.

Even though online auctioneer eBay Inc. does not disclose individual seller sales income to the Internal Revenue Service, eBay sellers are required to report most sales income generated on their tax returns.

While there is quite a bit of "gray area" surrounding what is and is not taxable, here are a few general rules to follow:

- Casual sellers generally do not have to report sales income from eBay. Casual sellers are those who only sell a few items a year.
- Income from the sales of personal household items used over a period of time that would normally be sold at a garage sale does not have to be disclosed. For example, a well-used VHS tape.
- For those who sell more frequently, any item sold where the auctioneer has the intent to make a profit produces taxable income. For example, if you buy a painting to resell for a profit, income on resale is taxable.

Failure to report income can lead to additional taxes, penalties, interest, fines and imprisonment. For more information, visit www.irs.gov/businesses/small/industries.

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