

# That \$9 you got from the PayPal settlement? Taxable income.

---

 [devblogs.microsoft.com/oldnewthing/20060223-21](http://devblogs.microsoft.com/oldnewthing/20060223-21)

February 23, 2006



Raymond Chen

If you're like many people, you signed up for [the PayPal class action lawsuit](#) and got around \$9 for filing a claim against the Statutory Damage Fund. My read of [IRS publication 4345](#) says that this constitutes taxable income. Note: This is just my personal opinion. Consult with your tax advisor before taking action. As for me, I reported it. Given [my previous experience with the IRS](#), I'm willing to fork over the \$3 to avoid getting audited.

[Raymond Chen](#)

**Follow**

