

Business News

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Small Business Advocate Praises House Passage of "1099 Repeal" Urges Senate, President Obama to Put this Paperwork Nightmare to Rest

Washington, D.C. - Small Business & Entrepreneurship Council (SBE Council) President & CEO Karen Kerrigan issued the following statement following today's passage of the "The Small Business Paperwork Mandate Elimination Act" (H.R. 4) in the U.S. House of Representatives:

"The House, Senate and President Obama are all in agreement that the burdensome 1099 reporting mandate in the new health care law should go. There is no reason why full agreement cannot be quickly reached on the issue, and I hope today's House vote to repeal the costly 1099 reporting mandate adds momentum to efforts that deliver a bill to President's Obama desk. Small business owners are still waiting for signs that Washington 'gets it' and is listening to their concerns about burdensome regulations and costs that hurt their ability to grow, compete, and add jobs. But more than just listening, small business owners are looking for meaningful action, and repealing this nightmarish 1099 paperwork requirement would be a good first step in helping to build confidence among entrepreneurs."

H.R. 4 repeals Section 9006 of the Patient Protection and Affordable Care Act (PPACA), as well as expanded 1099 reporting for owners of certain rental property that was inserted into the "small business lending bill" last year. The expanded reporting provision in PPACA mandates that small business owners file a 1099-MISC form to the Internal Revenue Service (IRS) for all payments made to vendors totaling \$600 or more in a tax year. Likewise, as passed in the small business lending bill, individuals that receive rental income are now required to distribute and file 1099s on payments made in excess of \$600 annually.

Small business owners have expressed outrage regarding these onerous paperwork requirements, which will add significant costs to their operations. The U.S. Senate recently advanced repeal of Section 9006 in the PPACA only (not the rental income reporting mandate contained within the small business lending bill) as part of the Federal Aviation Administration funding bill (the Stabenow Amendment).

SBE Council is a nonprofit, nonpartisan advocacy organization dedicated to protecting small business and promoting entrepreneurship. For additional information, please visit:

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