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ROCKEFELLER VOTES TO SIMPLIFY TAX CODE FOR SMALL BUSINESSES

WASHINGTON, D.C. — Senator Jay Rockefeller issued the following statement today after he voted in favor of eliminating new reporting requirements, known as 1099 requirements, that were widely viewed as creating a substantial paperwork and financial burden for small businesses.

“It just makes good sense to provide immediate relief for small businesses by repealing these requirements. The 1099 section would have required a whole new set of paperwork from small businesses that would have been a hardship. While I oppose the method of paying for this change, now that this repeal will shortly be signed into law, I hope to spotlight many of the other useful provisions of the health care reform law that actually help small businesses, like giving tax credits to small business that provide health insurance. These tax credits are available right now, and there is still time for small businesses to claim them for the 2010 tax year. In 2014, small businesses will be able to get the same purchasing power as large businesses when new health insurance marketplaces are created in each state. It’s about time small businesses got a fair shake when it comes to health care, and we should focus on strengthening the Affordable Care Act, not repealing it.”

Rockefeller has cosponsored legislation and voted several times to support small businesses by eliminating the 1099 requirements.

Background

Rockefeller has continually pushed for and voted multiple times to get the 1099 reporting requirements repealed – voting for four amendments and cosponsoring legislation that would amend or eliminate the 1099 reporting requirements for businesses that were included in the 2010 health care reform law.

In January, Rockefeller cosponsored S. 72, a bill to repeal the 1099 reporting requirements. Rockefeller voted for two amendments in February to the Federal Aviation Administration (FAA) reauthorization legislation to repeal the 1099 requirements. In the 111th Congress, Rockefeller voted for amendments to the small business jobs bill and the food safety bill that would take similar action.

- To safeguard American families and small business employees from any tax increase that might result from the Republican offset, Senator Rockefeller is also a cosponsor of the Menendez-Kerry-Rockefeller Amendment to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Reauthorization Act of 2011, which would maintain the repeal of the 1099 requirements, but would not allow the offset to go into effect until the Secretary of Health and Human Services determines its effect on coverage for small business employees.
- Repealing the 1099 reporting requirements costs \$25 billion – a cost that Republicans have chosen to offset by limiting premium subsidies available to help consumers buy health insurance

coverage starting in 2014. Under current law, people who receive health care subsidies through the Exchanges could be required to pay back some of their subsidy if their income increases during the year, or if they have another change in their circumstance, such as change in family size. However, there is a cap on the amount most people would have to pay back. The Republican offset raises those caps, resulting in more people paying back a higher percentage of their health insurance tax credits at the end of the year if their income, household size, or other factors change during any given year in which they are receiving the tax credits. Rockefeller strongly opposes this offset.

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