

NAMIC Supports Repeal of New 1099 Filing Requirement

WASHINGTON (Nov. 29, 2010) The National Association of Mutual Insurance Companies called on lawmakers to approve an amendment that would repeal the increased 1099 filing requirements in the healthcare reform legislation earlier this year.

Two separate amendments to repeal the increased filing requirement were filed by Sens. Mike Johanns, R-Neb., and Finance Committee chairman Max Baucus, D-N.D., were proposed for inclusion in food safety legislation to be considered by the Senate this week. Both proposals would repeal the provision creating the requirement, Section 9006 of the Patient Protection and Affordable Care Act, but the Johanns amendment also would cut \$39 billion in discretionary spending to offset the loss of revenue to the government.

“These amendments show a clear, bipartisan desire to undo the misguided policy of adding more expense and red tape for America’s small businesses,” said Jimi Grande, senior vice president of federal and political affairs for NAMIC. “This provision - added to the healthcare reform law without any review or debate – is an example of what can happen when massive legislation is rushed through Congress. These added requirements would add to the expense and bureaucracy of American businesses without providing any relief to the problems facing our healthcare system. NAMIC has strongly advocated for its repeal and we applaud Sens. Baucus and Johanns for their work to undo this onerous provision.”

Under the provision, section 9006 of the healthcare law, any business expense to a single vendor totaling more than \$600 for the year will require the filing of a 1099 form with the Internal Revenue Service starting in 2012. Currently, businesses are required to file only for expenses paid to unincorporated entities, but the new law would apply to everyday business expenditures like phones, internet providers and office supplies. The requirement would also apply to non-profit entities.

“With support for repeal of the new 1099 requirement on both sides of the aisle, there is no better time than now for Congress to act,” Grande said.