

Washington, D.C. – U.S. Rep. Tom Rooney (FL-16) today voted in favor of legislation to repeal the job-killing 1099 reporting requirement included in last year’s new health care law. The House approved the repeal, which Rooney cosponsored, by a 314-112 vote.

“The 1099 reporting requirement in last year’s health care bill is a nightmare for small businesses,” Rooney said. “Small business owners in Florida ask me every day when we are going to repeal this massive, job-killing, hidden tax. Today’s vote is a victory for small businesses, their workers and American taxpayers.

“When former Speaker Nancy Pelosi said Democrats would have to pass the health care bill before anyone could find out what was in it, she wasn’t kidding. One of the many items the American people were furious to discover was this onerous, job-killing mandate on small businesses who are trying to grow and create jobs.

“This burdensome provision forces nearly every small business to complete hours of IRS paperwork at an average cost of \$74 an hour. The high cost of complying with this provision discourages businesses from growing and hiring new workers, stifling economic recovery and job creation.”

Background

The new health care law expanded tax information reporting requirements, mandating that businesses issue a Form 1099 for any payments to vendors that exceed \$600. The new mandate, scheduled to begin in 2012, would impose an enormous tax compliance burden on small businesses.

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