

The health care law enacted last year included several areas of concern to Nebraskans. One striking problem, which received little attention before the bill was passed, is a financial reporting change to the Section 1099 tax form that imposes unnecessary and expensive paperwork burdens on small businesses and farm operations. The House of Representatives acted last week to fix this problem by removing the onerous new requirement.

In order to help pay for its new costs, the health care bill expands tax information reporting rules. These new rules require businesses to issue a Form 1099 for any payments to corporations (rather than just to individuals) and for any payments for property (rather than just for services or investment income) that exceed \$600 over the course of a year. Upon learning of the law, a number of small business owners, entrepreneurs, and farmers in Nebraska expressed to me their concern about the employee time required and costs associated in complying with this change.

I joined efforts last Fall to repeal the 1099 requirement change, cosponsoring a bill to eliminate it. That measure was not enacted. Last Thursday, under new House leadership, HR 4, The Small Business Paperwork Mandate Elimination Act of 2011, was debated on the House floor and advanced on a vote of 314 to 112, attracting bipartisan support. The bill will now move to the Senate, which has passed its own measure addressing the 1099 change. The House and Senate measures will have to be reconciled in the coming weeks before a final solution can be sent to the President for his signature. The President also acknowledged the problem in his State of the Union Address. I anticipate that he will sign the repeal.

Fixing the 1099 problem is the latest legislative attempt in Congress to revisit and resolve problematic areas of law enacted within the last year. Recently we approved a federal budget plan that reduces spending significantly over the President's original budget proposal. It is clear that restoring fiscal stability and regaining economic strength in America will be a long uphill climb - and must be done fairly - but it is important that a majority of lawmakers are now demonstrating the willingness to begin the journey.