

KEY VOTE "YES" ON H.R. 4 TO REPEAL THE 1099 REPORTING REQUIREMENTS

March 3, 2011

Dear Representative,

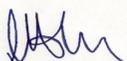
On behalf of over one million FreedomWorks members nationwide, I urge you to vote YES on Rep. Lungren's (R-Cali.) H.R. 4 the Small Business Paperwork Mandate Elimination Act of 2011 which would repeal 1099 reporting requirements. Due to a provision hidden in the 2,400 page health care law passed last March, businesses will be required to submit an IRS form 1099 for all goods and services purchased over \$600 starting in 2012. This is a paperwork nightmare that will significantly hurt small businesses and cost an abundance of jobs.

With unemployment at a high 9 percent, we cannot afford to put even more burden regulations on job creators. The 1099 reporting requirements will affect all businesses including sole proprietors, self-employed people, charities and other tax-exempt organizations. With the mandate requiring millions more tax forms, the IRS even admits that they do not have the resources to handle all the paperwork. The IRS will likely need to hire countless more agents to manage the twenty-fold increase in 1099 forms.

Repealing the 1099 reporting requirements will not increase the deficit. According to the Joint Committee on Taxation, H.R. 4 would reduce taxes by \$24.7 billion over the next decade. The bill includes a provision to reduce health insurance subsidies under the Patient Protection and Affordable Care Act. The Congressional Budget Office has scored the cuts to insurance subsidies as a spending cut and not a tax increase. H.R. 4 would expand the maximum amount of subsidy overpayments that can be collected. This will recapture subsidy overpayments from people who receive more in health insurance premium assistance than they should be receiving. The Joint Committee on Taxation found that this would reduce government spending by \$24.8 billion over the next ten years.

We will count your vote on H.R. 4 Small Business Paperwork Mandate Elimination Act of 2011 as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2011. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,



Matt Kibbe
President and CEO
FreedomWorks



FreedomWorks

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