



## GALLAGHER, FLYNN & COMPANY

◆ Tax Alert ◆

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### **Breaking News: Congress Repeals Expanded 1099 Reporting Requirements**

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Dear GFC Client,

The Patient Protection and Affordable Care Act (PPACA) included a provision requiring payments totaling at least \$600 in a single calendar year to a single recipient, to be reported to IRS. This includes payments to corporations and payments for goods sold. Many taxpayers felt this would put an undue hardship on them and last night; this law was repealed by Congress. The President is expected to sign the repeal.

The repeal effectively reverts to how it was before the enactment of the PPACA.

Please see the attachment below. For more details, contact your GFC advisor either at (802) 863-1331 in South Burlington, VT or at (603) 643-0043 in Hanover, NH with any questions.

Thank you for your attention.



## **Congress Repeals Expanded 1099 Reporting Requirements**

Concerned about the tax compliance burden imposed on taxpayers, particularly small businesses, Congress passed legislation repealing certain information reporting requirements enacted last year. The Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011, repeals recently expanded information reporting rules that would have required the filing of Form 1099 for:

- Payments of \$600 or more by businesses; and
- Expense payments of \$600 or more with respect to rental property.

To pay for the cost of repeal, estimated at approximately \$25 billion over 10 years, the legislation increases the amount of overpayment of health care credit that is subject to recapture.

The House passed the measure on March 3, 2011, by a vote of 314 to 112. The Senate followed with passage on April 5, 2011, by a vote of 87 to 12. The legislation now goes to President Obama for his signature.

