



Small business owners. Small business values.

August 13, 2010

Honorable Senator Harry Reid
Majority Leader, U.S. Senate
522 Hart Senate Office Building
Washington, DC 20510

Honorable Senator Max Baucus
Chairman, Senate Finance Committee
511 Hart Senate Office Building
Washington, DC 20510

Honorable Senator Mary Landrieu
Chairwoman, Senate Committee on Small Business
328 Hart Senate Office Building
Washington, DC 20510

Honorable Senator Blanche Lincoln
355 Dirksen Senate Office Building
Washington, DC 20510

Dear Majority Leader Reid, Chairman Baucus, Chairwoman Landrieu, and Senator Lincoln:

On behalf of the Main Street Alliance national small business network, we write to express our strong interest in proposals to mitigate or eliminate the paperwork burden created by the expansion of 1099 reporting requirements included in the final health reform package.

As small businesses, we have a clear stake in this issue as the 1099 reporting provision threatens a cumbersome and costly increase in our paperwork burden. We are not IRS agents, and those of us who are playing by the rules shouldn't pay the price for others who aren't in the form of this added paperwork burden.

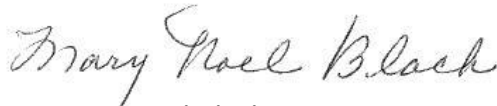
While we are eager to see the Senate find a legislative fix that solves the 1099 problem for small businesses, we strongly believe this fix must be paid for responsibly. An amendment on the 1099 issue proposed by Nebraska Senator Mike Johanns to the Small Business Jobs Act includes a pay-for mechanism that is counterproductive and wholly unacceptable. In stripping funding from the Prevention and Public Health Fund, a fund designed to support investments that will lower long-term health costs and improve the national balance sheet, this pay-for would seriously undermine the improved access and cost containment goals of health reform. Given our enduring concern as small business owners to make health care affordable and accessible for business owners, our employees, and our communities, we cannot support slashing the Prevention and Public Health Fund.

There is no shortage of better options to offset the cost of fixing the 1099 reporting requirement. The House of Representatives recently considered a bill that would remove the 1099 provision and offset the cost by closing offshore tax loopholes, loopholes that allow major corporations and the wealthy to skirt their responsibility to contribute a fair share in taxes. This bill, HR 5982, garnered 241 votes in the House, failing only because it was presented through special order and needed a two-thirds majority for passage; if passed in the Senate and then brought up in the House under regular order, it would surely pass.

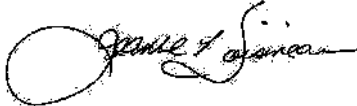
Does the 1099 reporting provision need to be fixed to mitigate the impact on small businesses? Absolutely. But should this be used as an excuse to defund critical components of health care reform that are necessary to improve access, promote public health, and bring down health costs in the long run? Absolutely not.

We urge you to make every effort to remove the 1099 provision with a responsible pay-for-mechanism that doesn't sacrifice the goal of accessible, affordable health coverage in the process.

Sincerely,



Mary Noel Black
The UPS Store at Citiplace
Baton Rouge, LA



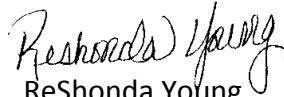
Jeanne Boisineau
JB Casting
Richmond, VA



Daniel Sherry
Kennedy's Creative Awards
Waukegan, IL



David Borris
Hel's Kitchen Catering
Northbrook, IL



ReShonda Young
Alpha Express, Inc
Waterloo, IA

Matthew Hisel
Home Resource
Missoula, MT

Leroy Hampton
High Point Enterprises
Pine Bluff, AR

Maude Varela
Kidutopia
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