



## “Service to the Tax Profession”

For Immediate Release

VANCOUVER, WASHINGTON, April 5, 2011. The National Society of Tax Professionals (NSTP) commends the U.S. Congress on its final approval today of H.R. 4, legislation repealing expanded Form 1099 reporting, including the rules requiring businesses to report payments of over \$600 to vendors and the additional rental expense reporting requirement. The NSTP urges quick action by the President to sign this measure into law.

The expansion of the Form 1099 information reporting requirements, which was to take effect in 2012, would have imposed a substantial tax compliance burden on small businesses, including costs to acquire new software or for additional accounting services. The economics of small businesses are such that they would not have had the profit margins to absorb this increase in their administrative costs. Moreover, if they failed to comply despite a good faith effort, the penalties for noncompliance could rapidly have put them out of business. Today’s repeal has removed these risks for an important sector of our economy.

The expanded reporting provisions were enacted in haste as a revenue-raising measure in the Patient Protection and Affordable Health Care Act (P.L. 111-148). The NSTP is pleased that with more time for consideration and reflection on the issue, Congress had the courage to reverse itself when the burdens of the expanded reporting rules became more evident. NSTP Board President Greta Barncord remarked, “We appreciate efforts to close the tax gap, but we believe there are better ways to increase compliance than imposing a very difficult reporting protocol on small businesses. We applaud Congress on their successful bipartisan repeal effort.”

About the NSTP:

The National Society of Tax Professionals ([www.nstp.org](http://www.nstp.org)) is a non-profit organization made up of tax practitioners with varying types of professional credentials and different levels of practice, including Enrolled Agents, CPAs, Attorneys, and experienced unenrolled preparers. The NSTP supports the tax professional community with quality continuing education, expert updates on federal tax developments, and assistance in complying with IRS rules and regulations.

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