**1099 Expansion of Information Reporting Requirements**

**Summary:** Requires businesses that pay any amount greater than $600 during the year to corporate and non-corporate providers of property and services to file an information report with each provider and with the IRS. Information reporting is already required on payments for services to non-corporate providers.

**Status updates:**
- On February 2, 2011, the Senate voted to add Senator Stabenow's amendment to repeal the 1099 (with discretionary fund offsets) to the FAA reauthorization bill (S. 223). The House still needs to act on S. 223.
- On March 1, 2011, the President released a Statement of Administration Policy (SAP) noting concerns with the current offsets within H.R. 4, as well as those within S. 223.
- On March 3, 2011, the House passed H.R. 4 (which would repeal the 1099 provision, with an offset modifying the limitations on amounts required for repayment of advance premium assistance tax credits for health insurance under the PPACA) by a vote of 314-112.
- On April 5, 2011, the Senate passed H.R. 4 (with no changes) by a vote of 87-12.
- On April 14, 2011, the President signed H.R. 4 making it P.L. 112-9.

**Next steps:**
- February 2, 2011 -- Senate voted to add Senator Stabenow's amendment to repeal the 1099 (with discretionary fund offsets) to the FAA reauthorization bill (S. 223). The House has not acted on S. 223.
- March 1, 2011 -- President released a Statement of Administration Policy (SAP) noting concerns with the current offsets within H.R. 4, as well as those within S. 223.
- March 3, 2011 -- House passed H.R. 4 (which would repeal the 1099 provision, with an offset modifying the limitations on amounts required for repayment of advance premium assistance tax credits for health insurance under the PPACA) by a vote of 314-112. The Senate has not acted on H.R. 4.
- April 5, 2011 -- Senate passed H.R. 4 (with no changes) by a vote of 87-12.
- January 1, 2012 – New would have requirement gone into effect if it had not been repealed

**Additional information:**
- Information on H.R. 4 -- [http://hdl.loc.gov/loc.uscongress/legislation.112hr4](http://hdl.loc.gov/loc.uscongress/legislation.112hr4)
• Information on Sen. Stabenow’s amendment to S. 223 -- http://hdl.loc.gov/loc.uscongress/legislation.112samdt9
• Text of Sen. Baucus’s S. 3946 -- http://hdl.loc.gov/loc.uscongress/legislation.111s3946
• Draft form from the Internal Revenue Service (IRS) up for public comment -- http://www.irs.gov/pub/irs-dft/f1099k--dft.pdf
• CNN Money articles regarding provision -- http://money.cnn.com/2010/05/05/smallbusiness/1099_health_care_tax_change/ and http://money.cnn.com/2010/05/21/smallbusiness/1099_deluge/index.htm

Long summary:
Sec. 9006. Expansion of information reporting requirements.
The Act significantly expands the current-law obligation of persons engaged in a trade or business to report on payments of other fixed and determinable income or compensation by (1) extending reporting to include payments made to all corporations (except for non-profit corporations) and (2) expanding the kinds of payments subject to reporting to include reporting of the amount of gross proceeds paid in consideration for property or services. Specifically, businesses must report to Treasury (using a 1099) payment made to any single payee (except for non-profit corporations) that aggregate to $600 or more in a year, including gross proceeds paid for property or services.


Legislative text:
SEC. 9006. EXPANSION OF INFORMATION REPORTING REQUIREMENTS.
(a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsections:
“(h) APPLICATION TO CORPORATIONS.—Not with standing any regulation prescribed by the Secretary before the date of the enactment of this subsection, for purposes of this section the term ‘person’ includes any corporation that is not an organization exempt from tax under section 501(a).
“(i) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be appropriate or necessary to carry out the purposes of this section, including rules to prevent duplicative reporting of transactions.”.
(b) PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.— Subsection (a) of section 6041 of the Internal Revenue Code of 1986 is amended—
(1) by inserting “amounts in consideration for property,” after “wages,”;
(2) by inserting “gross proceeds,” after “emoluments, or other”, and
(3) by inserting “gross proceeds,” after “setting forth the amount of such”.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 2011.