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**FREE FROM MORE PAPERWORK**  
***1099 Reporting Requirement Repealed***

Small business owners have just been freed from one of the most cumbersome reporting requirements ever to hit the finance and accounting departments of your business. The best part? It was over before it even began.

Last night, President Obama signed the Small Business Paperwork Mandate Elimination Act of 2011. In laymen terms, he signed a repeal that will significantly lessen the amount of paperwork for an estimated 40 million U.S. business owners.

Pete Jones, a CPA at Cooper Norman says, "This is a big relief. Now a company won't have to track and report payments to EVERY vendor it pays more than \$600 to in a year, incorporated or not, for goods and services. That could have included every transaction a small business has during the year; from buying a computer at Wal-Mart to pencils and pens from Office Depot."

The Form 1099 reporting requirement was originally included as part of the Patient Protection and Affordable Care Act last year. While it seems like a strange fit at first, this law was put in place with the purpose of raising revenue to pay for health care reform.

While this is great news for internal accounting staff, it comes with a stronger set of IRS eyes on what 1099 filings your business currently submits. The Small Business Job Act increases the penalties imposed on companies for 1099 errors. Starting with all information returns due after January 1, 2011, the price your company pays for a mistake is double.

After signing the repeal, President Obama is quoted as saying, "I was pleased to take another step to relieve unnecessary burdens on small businesses." He added, "Small business owners are the engine of our economy and because Democrats and Republicans worked together, we can ensure they spend their time and resources creating jobs and growing their business, not filling out more paperwork."