

SUBJECT: Senate Votes to Repeal Expanded 1099 Reporting

DATE: February 2, 2011

The Senate voted today to repeal the expanded 1099 reporting requirements that were part of the health care legislation. Key supporters from our member states included Mr. Baucus from Montana and Mr. Johanns from Nebraska. So it appears you will not have to worry about expanded 1099 filings down the road--which were not escrow-specific but would have impacted your business. (Which is why AEA always advocated for repeal ever since the health care bill was passed.) On the other hand the expanded penalty provisions contained in last year's Small Business Jobs Act of 2010 have not been changed. So while you do not need to worry about future 1099 requirements that won't happen you should make sure that any requirements already in place are complied with--in terms of timely filing, complete and correct.

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