

"The U.S. Senate had an opportunity - and didn't take it - to eliminate one of the most burdensome tax requirements of the new health care law. Despite a close vote, the requirement remains in place for businesses to report to the Internal Revenue Service every other entity with which they transact \$600 of business each year, starting in two years.

Every U.S. incorporated business, large and small, farm or manufacturer, with a thousand employees or with one, will fall under the new rules. Not only will the health care law impose a requirement on them which has nothing to do with health care, but it will also add to the paperwork burden that costs small businesses money, time, and a great deal of frustration each year. In a make-or-break environment for many of our small businesses, they will be forced to spend more of their scarce resources on tax preparation.

The new rules on tax reporting go into effect in 2012, as one of 18 tax provisions in the bill set to collect \$500 billion over ten years to pay for the health care law. The \$600 rule is expected to raise \$17 billion in taxes during that time.

Obviously, every business should pay the federal taxes they owe under our U.S. tax code. But the additional burden of more reporting, most of it falling on the shoulders of businesses that honestly pay their fair share of taxes, will cost us jobs and slow the growth of our economy. What was once easy accounting will now be an avalanche of paperwork.

Worse, who at the IRS will read these millions of pages of new reports from small businesses regarding the \$600 they spent on overnight shipping or the \$600 disbursed to a farm for the scrap metal they cleaned out of an old shed during the year?

But there is a majority in Congress who thinks this new requirement is just and necessary. They are tone deaf to its effect on the ability of small business to survive. This provision does something very much in line with their philosophy of governance: it expands the power of the federal government by increasing requirements on Americans to provide information to the IRS.

I take the opposite view: until an American business proves it cannot be trusted to pay its taxes it should not be subjected to an accounting burden which assumes they are guilty at great (and usually unnecessary) expense. In this Congress, I am in the minority in that view.

The tax provisions of the health care law have yet another negative effect on the American economy; as impending new rules like this one get closer to implementation, they create tremendous uncertainty for small businesses. Without a sure tax strategy, or at least the knowledge of how long their taxes will take to prepare in a given year, our small businesses will be forced to set aside resources they would otherwise use for things like wage increases, investment in capital, new hiring, and expansion.

Unlike more tax rules for the IRS, these things are good for our economy. When Congress stifles businesses with tax rules, the entire economy suffers - those who pay their taxes right alongside those who do not."

