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PRESIDENT SIGNS 1099 REPEAL INTO LAW

SEMA Supported Measure Eliminates Costly Burden on Small Business Owners

After Congress acted last week to repeal the costly 1099 reporting requirement included in last year's health care law, President Obama today signed the legislation into law. SEMA congratulates Congress and the President for acting to eliminate this burdensome requirement. Through this bipartisan agreement, small business owners can continue to focus on economic growth and revitalization.

Under the terms of the repeal, businesses will no longer be required to issue 1099 forms to all vendors from whom they buy more than \$600 worth of goods or services in any year, beginning in 2012. The requirement was intended to prompt vendors receiving 1099 forms to pay taxes on the income.

In a letter sent to the White House asking President Obama to sign the bill into law, SEMA President and CEO Chris Kersting said, "Small businesses remain the most important economic engine driving America's expanded recovery. Eliminating the 1099 reporting burden will allow our companies to focus on producing tangible goods and services rather than wasteful paperwork."

After signing the bill into law, President Obama said, "I was pleased to take another step to relieve unnecessary burdens on small businesses by signing H.R. 4 into law. 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."

SEMA contended that the 1099 requirement would fail to generate much under-reported income but would succeed in punishing businesses that already comply with U.S. tax law. SEMA was an active leader in the repeal effort, working on its own and with a number of other small business organizations.

About SEMA

SEMA, the Specialty Equipment Market Association founded in 1963, represents the \$31.85 billion specialty automotive industry of 6,500 member-companies. It is the authoritative source for research, data, trends and market growth information for the specialty auto parts industry. The industry provides appearance, performance, comfort, convenience and technology products for passenger and recreational vehicles. For more information, contact SEMA at 1575 S. Valley Vista Dr., Diamond Bar, CA 91765, tel: 909/396-0289, or visit www.sema.org or www.enjoythedrive.com