

Jay Timmons

Executive Vice President

July 28, 2010

U.S. Senate
Washington, DC 20510

Dear Senators:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to support Senate Amendment (SA) 4531, offered by Senator Mike Johanns, which may soon be considered by the Senate. It would repeal expanded reporting requirements under Section 9006 of the Patient Protection and Affordable Care Act.

The Johanns amendment would repeal Section 9006's requirement that businesses file an Internal Revenue Service (IRS) form 1099 for all purchases of property and services in excess of \$600. Previously, businesses were required to report only purchases of service and only from non-corporate entities. The new language essentially requires 1099 reporting for virtually all transactions in excess of \$600.

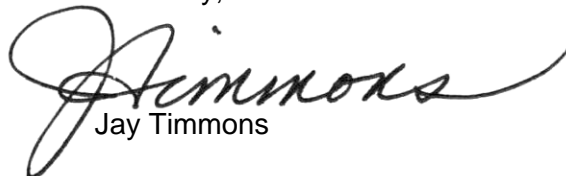
The new reporting requirement is extremely onerous — especially for small manufacturers. In addition to the 1099 mandate, businesses will also be required to obtain a Taxpayer Identification Number (TIN) from each affected payee in order to avoid the requirement for backup withholding. Businesses providing services or selling property could also face backup withholding on payments made to them if there is a problem with the TIN.

The NAM supports efforts to ensure tax compliance, but not at the expense of and cost to small manufacturers who are following the law. In addition to adding an onerous new burden on the backs of America's job creators, it's extremely unclear how the IRS could handle the volume of 1099s that will be generated under the new law, much less use them to ensure tax compliance.

The NAM's Key Vote Advisory Committee has indicated that votes related to SA 4531, including votes on procedural motions, may be considered for designation as Key Manufacturing Votes in the 111th Congress.

Thank you for your consideration.

Sincerely,



Jay Timmons