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Congress of the United States
House of Representatives
Washington, DC 20515

January 12, 2014

TODD ROKITA
4TH DISTRICT, INDIANA
COMMITTEE ON THE BUDGET
COMMITTEE ON HOUSE
ADMINISTRATION
COMMITTEE ON EDUCATION
AND THE WORKFORCE
ROKITA.HOUSE.GOV

John
Monon, IN

Dear John,

Thank you for attending my Monticello Congress on Your Corner event on November 26, 2013. I would like to address your concern over the changes to the 1099 reporting requirement under ObamaCare. It is good to hear from you.

I believe your question actually touches on a couple of different issues. As you may know, a Form 1099 is required by the Internal Revenue Service (IRS) for payments totaling at least \$600 in a single calendar year to a single recipient. The form is required only when the payer is considered to be engaged in a trade or business and has made the payment in connection with that trade or business. ObamaCare originally included a provision that expanded this requirement, requiring 1099s to be filed for all goods and services over \$600 annually.

Because of the tremendous burden this placed on small business, last Congress, I cosponsored H.R. 4, the Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011. This bill repealed the expansion of 1099 reporting requirements contained in ObamaCare. I was happy to see H.R. 4 pass the House of Representatives with strong bipartisan support and be signed into law by the President on April 14, 2011.

Regarding the subsidies for purchasing insurance under ObamaCare, the subsidies can be received in two ways. First a person can receive the subsidy in advance, and then he would be responsible for filing taxes for the year in which he received the subsidy. Or a person can also wait, paying the monthly premiums as normal, and then be eligible to receive the subsidy, or credit, upon filing taxes for that year. While a 1099 is something reserved for businesses, and not a form that will be required of ObamaCare subsidy recipients, the IRS will have to add either a new form or lines on the existing tax return for people to notate whether they received this subsidy or are due the credit. I hope that clarifies your question.

Again, thank you for attending my Monticello Congress on Your Corner event. Please stay in touch.

Sincerely,

A handwritten signature in blue ink that reads "Todd Rokita". The signature is stylized and fluid.

Todd Rokita
Member of Congress

TR/ct