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September 13, 2010

TO: Senator Kent Conrad  
Senator Byron Dorgan  
Congressman Earl Pomeroy

FR: North Dakota Grain Dealers Association

RE: Support repeal of 1099 provision

IRS Form 1099 is currently used to document amounts over \$600 paid for services that are not wages or salaries. The new health care law contains a provision requiring 1099s be provided to vendors for products starting in 2012. This will affect millions of businesses and create a paperwork blizzard. Each grain elevator will have to file a 1099 for each vendor from whom it purchases over \$600 in products annually. That includes its chemical supplier on down to where it gets office supplies. Other businesses will be stuck with the same requirement. Each barber will have to file a 1099 for each vendor from whom he buys over \$600 in hair care products. That's how silly it gets.

We're told that Senator Johanns is expected to offer an amendment to H.R. 5297, the "Small Business Jobs Act of 2010" which will repeal this requirement that is Section 9006 of the "Patient Protection and Affordable Care Act". **We urge you to support the Johanns amendment, or any other method of getting rid of this onerous requirement.**

We oppose the Nelson amendment that will complicate the matter even more.

This is a good example of the overextending, all-powerful reach of the federal government that most Americans strongly oppose. What's next? Will we have to provide the IRS with documentation of how much we spend on groceries, where, and for what items?

Now three questions for you:

1. **What is the goal of this 1099 requirement?**
2. **Why is it in a health care bill?**
3. **Why did you vote in favor of it?**