



Startup America Suggestion of the Day: Repeal the New 1099 Rules (Installment 8)

By [Joe Wallin](#)

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Tucked into the healthcare reform bill was a provision which is going to require everyone in business to issue Forms 1099 to anyone from whom they buy more than \$600 in goods during the calendar year, effective 1/1/2012.

The penalties for noncompliance are severe, and summarized [here](#).

This means that if you are a startup, and you buy some new PCs from the Microsoft store, you are going to have to issue a Form 1099 to Microsoft.

This doesn't make sense. Why burden small business with this horrendous paperwork? Doesn't this sort of mind numbing paperwork burden kill the entrepreneurial spirit?

Startup America Team—let's index the \$600 to inflation back from the day when this number first came in to the Internal Revenue Code. The number would be about \$5,000 today. This would make more sense for everyone involved.

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