

Helping Small Businesses While Preserving Health Coverage

U.S. Sen. Bill Nelson (D-FL)

On September 14, senators will return to Washington to vote on two amendments that could have critical consequences for our health care system. Both amendments are aimed at reducing new paperwork burdens for businesses. The first amendment, sponsored by Sen. Mike Johanns of Nebraska, would pay for the relief on the backs of the health care system. An alternative, which I will be offering, provides small business relief while fully preserving federal investments in hospitals and health care providers.

In the effort to fully pay for health care reform, the new law included a number of provisions designed to close tax loopholes and limit tax evasion. One of the provisions will require businesses, beginning in 2012, to file additional information returns with the IRS for payments it makes to other firms. The purpose is to ensure that the recipient of the payment is fully reporting their income.

However, I have heard from many small businesses that are worried the new government red tape will simply mean they have less time to focus on creating jobs and expanding their businesses. Now more than ever, we need our struggling small employers to be able to focus on their core businesses. Government needs to get out of their way and not shackle small businesses with new and burdensome regulatory mandates.

Both the Johanns amendment and my amendment would greatly relieve the paperwork burden caused by these new information reporting rules. My amendment would exempt small businesses with 25 or fewer employees from new information reporting mandates on payment for goods. It would also provide relief to larger employers by raising the payment reporting threshold from \$600 to \$5,000 and exempting all credit card transactions.

The major difference is how we pay for it. The Johanns amendment is paid for by increasing costs for hospitals and health care providers in Florida and throughout the country that are already struggling in a weak economy. It would repeal \$11 billion that has been set aside for investments in prevention and public health programs. In addition, it would weaken new health care individual responsibility requirements and result in two million fewer Americans receiving health coverage. The amendment thus pushes more of the cost of uncompensated care back to hospitals and taxpayers.

In contrast, my amendment is paid for by repealing a 2004 tax break for Big Oil – the five major integrated oil companies. The 2004 tax provision was aimed at manufacturers. The way the new tax break was written, however, big oil producers have been able to benefit. The last thing we should be doing is transferring public tax dollars to the pockets of BP and other major oil producers that continue to rake in exorbitant profits because of high prices at the pump.

The choice is simple. We can all agree that now is not the time to pile new paperwork mandates on small businesses. But repealing those rules costs money and we can ill afford to continue running up the federal debt. Rather than paying for these changes on the backs of patients, hospitals and health care providers, we should cut back on unnecessary tax giveaways that have led to a windfall for the oil industry.

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Mr. Nelson is the senior U.S. Senator from Florida and a member of the Senate Finance Committee.