



## What Is the Latest On Health Care Reform?

### Senate Sends 1099 Repeal Bill to Obama

The Senate on Tuesday voted to repeal the health care overhaul's 1099 tax reporting requirements, finally ending months of debate and votes over a provision that, by the end, had few defenders.

The overwhelmingly bipartisan vote, 87-12, gives President Barack Obama the first opportunity to sign or veto a bill repealing a piece of his signature law. He's expected to sign it despite concern about how to replace the money the provision would have raised.

What started out last summer as a partisan strike against health reform eventually — through the course of at least 10 Congressional votes — became more of a business issue embraced by both parties and the President.

But the long, drawn-out process may serve as a warning that repealing other pieces of the health law — particularly the big building blocks of the plan — may be much more difficult than opponents of the law once thought.

"This was a provision in the health care law that pretty quickly everybody agreed was foolish," Sen. Mike Johanns (R-Neb.), one of the strongest supporters of repealing the 1099 provision, told POLITICO in a phone interview. "And yet we had over a dozen votes to get to this point. ... Can you imagine what kind of battle you would have on a key part of the health care bill? Once something becomes law in the federal government, it is very, very hard to amend it or tweak it unless there is unanimous agreement."

The Senate passed the House's 1099 repeal bill, H.R. 4, without changes, allowing it to go directly to the White House.

The Senate voted down a Democratic amendment that would have likely eliminated how the repeal is paid for: a change in how tax subsidies are recollected in the health exchanges if consumers' income changes in the course of a year. Republicans argued that it was a poison pill meant to delay the 1099 repeal's passage. The amendment, sponsored by Sen. Robert Menendez (D-N.J.), failed 41-58.

Republican Leader Sen. Mitch McConnell immediately heralded the bill's passage as, "the first repeal effort of Obamacare."

The 1099 provision, which would have raised \$19 billion to help pay for health reform, would have required business owners to file a tax reporting document for all vendors from which they buy \$600 worth of goods or services within a year.

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