



# *SBLC WEEKLY*

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## **DEADLINES**

Two weeks ago, Senate Majority Leader Harry Reid (D-NV) indicated the Senate will start its summer break a week later than planned. Now there is talk of holding the Senate in session for another week of the recess.

House Majority Leader Steny Hoyer (D-MD) had announced some weeks ago, the House would go on recess a week earlier than normal and shut off its lights on July 30th.

It seems to me my prediction of a “small business” or “jobs” bill on the desk of the President before the August break is in jeopardy.

The Senate is still debating the merits of its version of a small business lending assistance and tax relief bill. The important words are “its version.” Even if the Senate does finish its work on the bill this week, either the chambers have to play “ping-pong” to settle on a final version or convene a conference committee.

At the moment, it is advantage House if the ping-pong theory is utilized. It can pass some new version of the legislation and go home as planned. Then it would be

up to the Senate to validate my original prediction. I think it is going to be difficult to convince the House to stick around for round four.

The current House version is described in June 21st version of the Weekly. It includes the creation of a small business lending fund, small business stock capital gains relief, listed transactions penalty relief and a start up deduction increase.

While the Senate has yet to vote on its version, in addition to what is in the House version, the Senate version potentially could include a host of other prized items including a revival of the depreciation bonus, a two year doubling of the direct expensing allowance, a standard home office deduction and a temporary deduction from the self employment tax for the health care costs of the self-employed, among other items. AND a possible repeal of the Form 1099 expansion. AND, at least in theory, estate tax relief is in play too. (Don’t get too excited about the latter two, they are long shots.)

The pending business is a substitute amendment put together by Senators Max Baucus (D-MT) and Mary Landrieu (D-LA). Some of

the items mentioned above are included in their substitute amendment. Others such as the home office deduction, repeal of the Form 1099 provision and estate tax relief are either Democratic, Republican or bi-partisan amendments (in that order). Deals are still being made to get the 60 votes so the fate of amendments is not known yet.

## **FORM 1099**

Senator Mike Johanns (R-NE) and others have introduced S.3578 - Small Business Paperwork Mandate Elimination Act. The bill would repeal the Form 1099 expansion enacted earlier this year as part of Public Law 111-148. SBLC supports their efforts.

You can go to [www.stopform1099.org](http://www.stopform1099.org) to send emails to Representatives and Senators.