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# Health Care Reform Sees its First Repeal

President Obama's Patient Protection and Affordable Care Act (Health Care Reform Bill) suffered its first repeal on Tuesday, April 5, when the Senate voted 87 to 12 to repeal the 1099 provision in the bill. The controversial provision would have required that all businesses file 1099 tax forms for purchases over \$600 beginning in 2012. It also repeals a requirement in the small-business lending bill that would have made it mandatory for recipients of rental income to distribute and file 1099 forms on annual payments in excess of \$600. The senate's repeal will now go to the President who is expected to sign it.

In order to fund the repeal people will be required to pay back overpayments of health-insurance subsidies when their income becomes greater than the threshold used to calculate the subsidy. That threshold would be reached when people earn more than 400% of the federal poverty limit over the course of a year. This premium assistance provision does not go into effect until 2014.

However, this repeal does not end the ongoing fight over Health Care Reform. The Hill.com reported that Tuesday, before the vote, Senate Minority Leader Mitch McConnell (R-KY) said, "This is a big win for small business and, more importantly, I hope it's the first of many successful repeal votes related to the disastrous healthcare bill passed by Democrats last year."

With numerous court cases, an energetic Tea Party and revitalized Republican Party, Health Care Reform is likely to face many challenges in the months and years ahead.

If you have any questions regarding the Health Care Reform Bill and what it may mean for you or your company, contact either your trusted LGT advisor or Robert Lane, partner-in-charge of LGT's Healthcare Group at (214) 461-1450 or by email at [rlane@lgt-cpa.com](mailto:rlane@lgt-cpa.com).