



July 9, 2010

The Honorable Gerald E. Connolly
327 Cannon House Office Building
Washington, DC 20515

Dear Congressman Connolly:

As president of NPES The Association for Suppliers of Printing, Publishing and Converting Technologies, and on behalf of the over 500 NPES member companies I appeal to you to urge your Congressional colleagues to repeal the provision of the new health care law (Patient Protection and Affordable Care Act) that requires businesses to issue IRS 1099 Forms to all vendors that provide them with \$600 or more in goods or services in a year.

Whatever benefits this new requirement might arguably yield in improving tax compliance and closing the tax gap are clearly greatly outweighed by the costly and time consuming burden it places on nearly 40 million businesses and other entities (as estimated by the IRS Taxpayer Advocate) that will have to issue tens of millions of additional 1099 Forms.

In addition to issuing and receiving millions of new 1099 Forms, obtaining tax identification numbers needed to complete the Forms and dealing with back up withholding requirements will impose a serious direct increase in the paperwork burden on millions of business entities, and will be especially counterproductive to smaller business organizations like NPES and many of its members.

We also fervently oppose any effort to increase the penalties for inadvertent errors in or late filings of 1099 Forms. Separately, and even more when taken together, these new filing requirements and possible increased penalties are totally unacceptable and should be avoided completely, not just mitigated administratively. If allowed to go into effect they will severely undercut American businesses at a time when many continue to struggle and when it is imperative that they be as productive and competitive as possible.

My colleagues in the business community and I thank you for considering our concerns on this matter, and urge your leadership in rectifying this situation.

Sincerely,

Ralph J. Nappi
President

Cc: NPES Board of Directors

**The Association for Suppliers of
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