



[ACCOUNTING TODAY](#) [ACCOUNTING TOMORROW](#) [DEBITS & CREDITS](#) [CPA WEALTH PROVIDER](#)

 [ADVANCED SEARCH](#)

Not a registered member yet? [REGISTER NOW](#) [Login](#)

[HOME](#) [NEWSWIRE](#) [CURRENT ISSUE](#) [BLOGS](#) [WEB SEMINARS](#) [G&P SUMMIT](#) [EVENTS](#) [E-NEWSLETTERS](#) [MARKETPLACE](#) [RSS](#) [SPECIAL OFFERS](#)

Free WebCPA Site Registration

Sign-up today and take advantage of member-only content—the kind of timely, cutting-edge industry insight that only WebCPA.com can deliver.

Free site registration entitles you to:

- Exclusive online-only content
- Newsletters
- Online seminars...and much more!

Enter Email Address

ADVERTISEMENT

ScanSnap

When I press the scan button, I hear "Cha-Ching"

<< Learn how to deposit checks electronically

FUJITSU

IRS Advisory Committee Criticizes 1099 Expansion

[PRINT](#) [E-MAIL](#) [REPRINTS](#) [SHARE |](#)

WASHINGTON, D.C. (OCTOBER 20, 2010)
BY WEBCPA STAFF

An Internal Revenue Service advisory committee has issued a [report](#) calling for a number of changes in the IRS's information reporting rules, including the controversial provision in the health care reform bill that mandates expanded 1099 information reporting for businesses.

Like what you see? Click here to sign up for WebCPA's daily newsletter to get the latest news and behind the scenes commentary you won't find anywhere else.

"The changes enacted by the Patient Protection and Affordable Care Act of 2010 raise numerous issues about the utility of the data to be reported and the ability of the IRS to process it," said an appendix to the 2010 report of the IRS's Information Reporting Program Advisory Committee. "The expected exponential increase in the number of returns filed, especially paper returns, and the hurdles the IRS must overcome in actually utilizing the return information in any matching program between information returns and tax returns, cry out for a series of exceptions where the utility of the data is small relative to the cost to produce and process it. It is important that these exceptions be optional as reporting all payees will be more efficient for some payers. To minimize the significant burdens these reporting changes will engender, payers should have maximum flexibility to determine when and whether to report payees that potentially qualify for an exemption, even refusing a claim of exemption of Form W-9, and to change that determination at any point."

The report also deals with health care reporting on Form W-2 for 2011. In that case, the committee also suggests drastic changes in policy. "Based on the lack of guidance and time necessary to implement system-wide W-2 changes, IRPAC recommends that the IRS make health care reporting optional for 2011 or waive penalties for failure to comply," said the report.

Other sections of the report deal with cost basis reporting by financial institutions of customer cost basis in securities transactions; payment reporting (Section 6050W) made in settlement of payment card and third party transactions; and withholding and tax information reporting of payments of U.S. source income to foreign financial institutions and non-financial foreign entities, under the Foreign Account Tax Compliance Act.

IRPAC provides a public forum for the IRS and members of the information reporting community in the private sector to discuss relevant information reporting issues. The IRPAC is administered by the National Public Liaison Office of the IRS. IRPAC draws its members from the tax professional community.

ADVERTISEMENT

225 years of long-term strength.
(That's 900 quarters if you're focused on the bottom line).

Who's helping you?

LEARN HOW OUR HISTORY CAN STRENGTHEN YOUR FUTURE

THE BANK OF NEW YORK MELLON

[Other areas of interest](#)

[IRS Watch](#)

Related Articles

- [Congress leaves tax pracs in limbo](#)
- [Tax News](#)
- [Drug Stores Ask IRS to Delay Rules on Health Debit Card Purchases](#)
- [Senators Complain IRS is Stonewalling Inspector General](#)
- [Health Coverage Tax Credits Strain IRS Capacity](#)

[MOST READ](#) [MOST EMAILED](#)

- [Health Coverage Tax Credits Strain IRS Capacity](#)
- [Judge Sentences Tax Evading Pizzeria Owner to Give Free Pies to the Poor](#)
- [IRS Advisory Committee Criticizes 1099 Expansion](#)

ADVERTISEMENT

Navigating Estate Tax Changes
November 18, 2010
2:00 p.m. – 3:00 p.m. Eastern

Bank of America Merrill Lynch

[View marketing disclaimer](#)

Special Offers



WEB SITE BUILDERS
Take 15% off to help your firm stand out in a crowded marketplace
Our preferred partners specialize in web site design and development for accountants and CPA firms nationwide.
[Read more](#)

[PREV](#) 3 of 3 [NEXT](#)

Editors' Picks



accountingTODAY

Too few firms have IT strategy
Accounting Today poll: Spending is high, staff limited

DEBITS&CREDITS

IRS Offers Income Statistics Going Back to 1916
The Internal Revenue Service is opening the proverbial Al Capone vault on its income tax statistics, stretching back nearly a century.

CPAwealth
PROVIDER

Asset allocation: A wealth of tools
Asset allocation - dividing resources among different investment categories - is a way to lessen the risk of losses in a financial portfolio

twitter

WebCPA Twitter Page
Check out WebCPA's Twitter page, WebCPAtweets, and Accounting Tomorrow's Twitter page

facebook

Join WebCPA on Facebook
Check out the WebCPA and Accounting Tomorrow pages on Facebook.

ADVERTISEMENT

Quick Poll

Should the new 1099 reporting requirements, which require businesses to report purchases of \$600 or more to the IRS, be repealed?

SPONSORED BY: **CAREERZONE**

- Yes
- No
- Not sure

Vote or see results

[See Recent Polls](#)

 <p>The next generation of accounting deserves a better class of business tools. Click here for more information.</p>	<p>THE 2010 VAR100 Still Standing A Supplement To: accountingTODAY</p> <p style="text-align: center; background-color: #FFD700; padding: 5px;">▶ DOWNLOAD NOW</p>	<p>accountingTODAY Special Report PREPARING FOR THE CPA EXAM</p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px;">▶ DOWNLOAD NOW</p>	<p style="text-align: center;">100 2010 Most Influential People ACCOUNTING TODAY'S TOP 100 MOST INFLUENTIAL PEOPLE</p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px;">▶ DOWNLOAD NOW</p>
--	--	--	--

[ABOUT US](#) | [CONTACT US](#) | [ADVERTISE WITH US](#) | [PRIVACY POLICY](#) | [TERMS OF USE](#) | [SITE MAP](#)
© 2010 Accountants Media Group and SourceMedia, Inc. All rights reserved. SourceMedia is an **Investcorp** company.
Use, duplication, or sale of this service, or data contained herein, is strictly prohibited.