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Senate

The Senate met at 10 a.m. and was called to order by the Honorable CARTE P. GOODWIN, a Senator from the State of West Virginia.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Almighty God, guide our lawmakers today with Your higher wisdom, helping them to see Your desires and plans for their day. May they seek Your guidance throughout this day and remember Your promise to give wisdom liberally to all who, by faith, request it from You. Lord, remind them that the wisdom You give leads to purity, civility, kindness, sincerity, honesty, and peace. May the gift of Your wisdom infuse us all with a faith that replaces doubt, until truth arises over falsehood, justice triumphs over greed, and love prevails over hate.

We pray in Your wonderful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CARTE P. GOODWIN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 14, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARTE P. GOODWIN, a

Senator from the State of West Virginia, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mr. GOODWIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, I expect the majority leader momentarily. I am going to go ahead and make my opening statement first, since he is not here this morning yet. I am sure he will be here shortly.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

1099 MANDATE

Mr. MCCONNELL. Mr. President, over the past year and a half, I have tried to highlight some of the things the Democratic health spending bill does to undermine the health care system in this country. But one of the things the American people might not realize is that the consequences of this bill reach far beyond health care.

As a way of helping fund their health spending bill, Democrats inserted a backdoor tax known as a 1099 mandate that forces small businesses to bear the burden of their plan. It mandates that every business and charity in the country submit 1099 forms for transactions totaling \$600 or more, including routine business expenses such as phones, office products, and shipping costs. It could increase businesses' reporting requirement by as much as 2,000 percent.

Even the White House now admits they went too far and that their health spending bill hurts small businesses. Predictably, however, their remedy is to raise taxes. This is one more way Democrats are holding back the economic recovery—by socking businesses

with another mandate that costs them thousands of dollars a year in the middle of a recession.

Ironically, the IRS says they will not even be able to handle the paperwork this mandate would generate. They also say it is likely they will improperly assess penalties they will have to abate later.

The Democratic Senator from Florida has put forth an amendment we will be voting on later today that aims to help small businesses get around this reporting requirement. The problem is the Nelson amendment only covers some small businesses and fails to address the root of the problem.

Under this amendment, for example, businesses with 26 or more employees would still be subject to mandates for transactions totaling \$5,000 or more. Not only would hundreds of thousands of businesses still have to deal with this costly and burdensome new mandate, many others would presumably stop hiring once they reach the magic number of 26 employees in order to avoid paying the new expense. Moreover, the Nelson amendment does nothing to alleviate the paperwork nightmare, and it is paid for with yet another major tax increase.

Senator JOHANNIS has proposed a better approach. Unlike the Nelson amendment, the Johanns amendment fully repeals the 1099 mandate and would halt the Democrats' backdoor attempt to further place the costs of their health care plan on the backs of small businesses. It eliminates the paperwork for all businesses instead of picking winners and losers.

The Johanns amendment also has broad support. It has been endorsed by the Coalition for Fairness in Tax Compliance, the U.S. Chamber of Commerce, the National Federation of Independent Business, the American Farm Bureau Federation, and the Americans for Tax Reform. It has bipartisan support in the Senate as well.

This is a strong amendment that will actually help small businesses without

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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hurting others. I will be voting for the Johanns amendment and against the continuing costs and mandates of the Nelson amendment. I urge my colleagues to do the same.

I yield the floor.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following any leader remarks, the Senate will resume consideration of H.R. 5297, which is, as the leader has indicated, the small business jobs bill, with the time until 11 a.m. equally divided and controlled between the two leaders or their designees. At 11 a.m., there will be three votes relating to this bill: cloture on the Johanns amendment relating to 1099 forms. This is a commitment I made—that we would have a vote on his amendment. I think it is appropriate we do that. That will be a cloture vote, a 60-vote margin. We also have a vote that will occur on the Nelson of Florida amendment also relating to 1099 forms. It has changes that affect a number of people, but it is also something that I think is widely supported. I do not support the Johanns amendment, even though I have had conversations with him. He is the one who brought this to the attention of the Senate. I appreciate that. I think the Nelson amendment is better for the reasons Senator NELSON and others have talked about. It is an amendment that certainly gets to the heart of this issue as to who has to report.

Finally, we will have a cloture vote on the substitute amendment to H.R. 5297, which is the small business jobs bill.

This is one of the most important things we have done in recent months. I know we have been away for a month. There were some efforts to get to that before we left, but time constraints would not allow us to do that.

This is an important piece of legislation. It is going to infuse community banks with money. The problem we have in America today is the big banks are doing great. We saw what happened in the stock market yesterday, and all reasons indicate the reason the stock market jumped like it did is because the big financial institutions are doing so well. They are doing well. They are loaning to big businesses. That is good. I am very happy they are doing that.

Eighty percent of the jobs we lost because of this recession were small business jobs. That is where we have to get the jobs back, and we are not giving small businesses the opportunity to borrow money. That is why this bill is so important.

People are estimating this will create from 500,000 to 700,000 new jobs because small business is the engine that

drives our economy, and they need help. During this recess period, I was all over Nevada, of course. I went to a number of other States. It does not matter where you go. You see these little strip malls with "For Lease" signs. The reason is that small businesses that could continue their businesses if they could borrow the bucks for the inventory have not been able to do that. This bill will allow that to take place.

Not only does it do that, but it gives other tax incentives to small businesses. For example, they will be able to write off purchases they make for equipment—not depreciate it but write it off. It is extremely important they are able to do that.

We also have other tax breaks that allow some of these small businesses to do exporting, which they are anxious to do, and they get tax benefits for doing that.

The Small Business Administration will be revitalized. They have programs that are working well, but their resources are gone. I have spoken with the head of the Small Business Administration. She is so anxious for this to pass. She has people waiting in her offices around the country to apply for these loans to get their businesses started or reenergized. This is an important piece of legislation.

Following the vote on that substitute amendment, we will recess from 12:30 p.m. to 2:15 p.m. to allow for our weekly caucus meetings.

Finally, I ask unanimous consent that the filing deadline for second-degree amendments be at 12 noon today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MEASURES PLACED ON THE CALENDAR—S. 3772 AND S. 3773

Mr. REID. Mr. President, there are two bills at the desk due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bills by title for a second time.

The legislative clerk read as follows:

A bill (S. 3772) to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

A bill (S. 3773) to permanently extend the 2001 and 2003 tax relief provisions and to provide permanent AMT relief and estate tax relief, and for other purposes.

Mr. REID. Mr. President, I object to any further proceedings with respect to these two bills.

The ACTING PRESIDENT pro tempore. Objection is heard. The bills will be placed on the calendar.

Mr. REID. Mr. President, these two pieces of legislation are important. I am going to do my utmost to see if we can find a way to have a vote on the Paycheck Fairness Act. It is so fair to do that, to do a better job of equalizing pay between men and women when they do the same work. It seems fairly basic and fair.

S. 3773 is Senator MCCONNELL's Tax Hike Prevention Act. I am in conversations with him on how we are going to proceed on the tax issues, relating to the extension of the individual tax benefits. We will have more to say about that at a subsequent time.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

SMALL BUSINESS LENDING FUND ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 5297, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

Pending:

Reid (for Baucus-Landrieu) amendment No. 4594, in the nature of a substitute.

Reid (for Nelson (FL)) amendment No. 4595 (to amendment No. 4594), to exempt certain amounts subject to other information reporting from the information reporting provisions of the Patient Protection and Affordable Care Act.

Reid (for Johanns) amendment No. 4596 (to amendment No. 4595), to repeal the expansion of information reporting requirements for payments of \$600 or more to corporations.

Reid amendment No. 4597 (to the language proposed to be stricken by amendment No. 4594), to change the enactment date.

Reid amendment No. 4598 (to amendment No. 4597), of a perfecting nature.

Reid motion to commit the bill to the Committee on Finance with instructions, Reid amendment No. 4599 (the instructions on the motion to commit), to provide for a study.

Reid amendment No. 4600 (to the instructions (amendment No. 4599) of the motion to commit), of a perfecting nature.

Reid amendment No. 4601 (to amendment No. 4600), of a perfecting nature.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 11 a.m. will be equally divided and controlled between the two leaders or their designees.

Mr. BAUCUS. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is H.R. 5297.

Mr. BAUCUS. That is the Small Business Act.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAUCUS. Am I correct in saying the time is equally divided before the votes?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAUCUS. Mr. President, I see my colleague. I have a statement to make on the bill.

Mr. JOHANNNS. Mr. President, I defer to the Senator from Montana.