



Instant Impact Legislative Update for Week Ending August 6, 2010

1) Senate Fails to Pass Small Business Bill Before August Recess- 1099 Issue Still Looming

For three weeks, Senate Democrats and Republicans have kicked around a small business bill (H.R. 5297) which would incentivize community bankers to lend to small businesses, require federal prime contractors to use subcontractors listed in their bids, require a 5-year overhaul of size standards, and reinstate parity among the small business contracting programs. In addition to increasing Section 179 expensing and extending bonus depreciation, an amendment will be offered by Senators Mike Johanns (R-NE) and Blanche Lincoln (D-AR) repealing a requirement that businesses issue a 1099 form for all goods and services purchased above \$600.00, which WIPP has been very active in promoting. This bill is likely to be on the agenda when the Senate returns in September. WIPP supports this legislation and calls on its members to contact their Senators to urge support for H.R. 5297.

To read a summary of the bill, please [click here](#).

To read WIPP's press release, [click here](#).

To read WIPP's letter of support for H.R. 5297 and the 1099 Amendment, please [click here](#).

To read Senator Lincoln's press release on the 1099 Amendment, please [click here](#).

To read Senator Johann's press release on the 1099 Amendment, please [click here](#).

2) Legislation to Help Employees Save for Retirement Introduced

Senator Jeff Bingaman (D-NM) introduced legislation to make savings for retirement easier for small business employees. The Automatic IRA Act of 2010, S. 3760, allows individuals who work for a private business with more than 10 employees and whose employer does not already offer a retirement plan the opportunity to contribute to their own retirement savings through a payroll deduction. Employees can opt out of the plan. Although businesses cannot contribute an employer portion, they will receive a small tax credit to cover the costs of setting up the IRA account. It is estimated that of the 75 million uncovered employees, more than 40 million employees would be eligible to save and enroll under the Automatic IRA. Nearly six in 10 Americans report they have less than \$10,000 in total savings (from all sources) earmarked from retirement, according to Prudential's Four Pillars of Retirement Series on Saving for Retirement at Work: Employee and Business Reactions to Automatic IRA Concept from January 2008.

Developed by the conservative Heritage Foundation and the liberal Brookings Institute, employees should find saving for retirement easier if deducted automatically from their

paycheck. WIPP has been involved in a number of initiatives surrounding retirement issues including supporting tax incentives for annuities, encouraging financial literacy, and supporting automatic IRA's.

To read the text of S. 3760, please [click here](#).

To read Senator Bingaman's press release, please [click here](#).