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ANA Urges Members to Contact Congress *Goal is to Repeal New 1099 Requirements*

COLORADO SPRINGS – The American Numismatic Association urges its members to contact their members of Congress and ask to repeal a law that could significantly increase the paperwork burden on dealers and increase the risk of identity theft for all collectors who buy and sell numismatic material.

Under Section 9006 of the Patient Protection and Affordable Care Act, commonly known as health care reform legislation, businesses will be required to report all goods and services purchased in excess of \$600 with an IRS 1099 form. As written, the law would, beginning in 2012, require all coin dealers to report on IRS form 1099 all goods and services (totaled across a taxable year) they purchase from other dealers and customers in excess of \$600.

While the legislation applies to all types of businesses, an unusual burden would be placed on numismatic dealers who, unlike most businesses, buy goods and services from each other and their retail clients. In addition, dealers will be required to gather personal information on all clients who sell them goods or services in excess of \$600, including name, address and social security number.

“All dealers will be disproportionately and unfairly impacted by this legislation,” said ANA Executive Director Larry Shepherd. “As a former dealer, I can see how a small-to-medium-sized dealer could easily be required to submit 1,000 or more 1099s in a typical year, at very significant cost. In addition, all collectors would be forced to give out personal information that could increase the possibility of identity theft. This section of the healthcare reform bill is a nightmare for everyone in this hobby. We need to make sure that our voices are heard.”

Shepherd cautioned that the numismatic community should understand that this is not a new tax, but rather a method by which the IRS can collect more information in hopes that more taxpayers will report taxable income. The assumption is that the new regulation would generate about \$17 billion over 10 years, increasing tax revenue to cover some of the costs of health care reform.

Already, Rep. Dan Lungren (R-CA) has introduced HR 5141 to repeal this part of the health care reform act, and Sen. Mike Johanns (R-NE) has introduced a companion bill in the Senate, S. 3578. Both bills are titled “The Small Business Paperwork Mandate Elimination Act,” and will likely need more co-sponsors in the House of Representatives and Senate.

“The ANA urges everyone who loves this hobby to contact your representatives and urge them to sign on to HR 5141 and to contact both your senators and urge them to sign on to S. 3578,” Shepherd said.

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The ANA has posted sample letters from dealers or collectors below and on its website at www.money.org.

For contact information on your members of Congress, go to www.house.gov or www.senate.gov. Anyone without a computer should contact the local office of your representative or senator, or call the U.S. Capitol at 202-224-3121.

Following are messages, developed by the Industry Council for Tangible Assets (www.ictaonline.org) that can be sent to your representative (HR 5141) or senator (S 3578).

Version for Collectors/Investors

Subject: SUPPORT (either HR 5141 or S 3578): Small Business Paperwork Mandate Elimination Act

Please repeal the new IRS Form 1099 requirement found in Section 9006 of Public Law 111-148, the Health Care Reform Act, that requires all small businesses to issue a tax information reporting form to virtually all of their customers and vendors, including corporations. This will be devastating to all small businesses.

This new law creates a monumental increase in paperwork for small businesses already overburdened by government regulation and reporting requirements.

In addition, I will be required to give my confidential tax ID information to many businesses that may not be capable of keeping this information secure. I am concerned about identity theft as I am required to provide my Social Security number and other identifying information when conducting transactions. When showing my driver's license as proof of identity, the license includes my name, address and date of birth!

I urge you to co-sponsor HR 5141 (or S 3578) to prevent this business and personal security nightmare.

Version for Dealers

Subject: SUPPORT (either HR 5141 or S 3578): Small Business Paperwork Mandate Elimination Act

Please repeal the new IRS Form 1099 requirement found in Section 9006 of Public Law 111-148, the Health Care Reform Act, that requires all small businesses like mine to issue a tax information reporting form to virtually all of our customers and vendors, including corporations. This will be devastating to my small business.

I buy and sell rare coins, currency, precious metals, and collectibles that I purchase for my inventory from hundreds of other dealers, as well as from my retail clients. (Other than a few items that can be obtained from the U.S. Mint, these are the only sources of my merchandise.) This new 1099 provision will require me to file hundreds, if not thousands, of forms. Further, it is not simply a matter of completing the form, but also the work and time involved in obtaining the proper tax identification number and dealing with backup withholding requirements.

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In addition, I will be required to obtain confidential tax ID information from my colleagues and customers and also be responsible for safekeeping that confidential data.

I urge you to co-sponsor HR 5141 (or S 3578) to prevent this business and personal security nightmare.

Access the following link to view, cut and paste sample letters on www.money.org:
<http://www.money.org/Content/NavigationMenu/Security/1099Letters.htm>

The American Numismatic Association is a nonprofit educational organization dedicated to encouraging people to study and collect money and related items. The ANA helps its members and the public discover and explore the world of money through its vast array of education and outreach programs, as well as its museum, library, publications, conventions and seminars. For more information, call 719-632-2646 or visit www.money.org.