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Max Baucus, author of Obamacare, admits he never read his own bill

By Matthew Sheffield

During the debate over what later became the health care bill that was recently signed into law by President Obama, a number of federal representatives and senators both admitted that they had not read it. Some, including Rep. John Conyers (D-Mich.) even boasted of this fact. House Speaker Nancy Pelosi (D-Calif.) famously stated that "we have to pass the bill so that you can find out what is in it."

Presumably the actual people who wrote the bill might have at least some idea what was in it. Unfortunately that isn't the case with Max Baucus (D-Mont.), lead sponsor of the Senate bill that became law. He admitted as much Monday during a constituents meeting in the small Montana town of Libby, as reported by the Flathead Beacon, a local newspaper.

According to Baucus, the idea of him reading a bill allocating nearly \$1 trillion of federal funds is "a waste of time:"

The visit by Sebelius, following a town hall-style meeting earlier that day in Missoula, was part of an effort by Baucus to show the health secretary some of the needs of rural states, and to defend and explain the controversial health care reform effort Democrats recently passed.

"We've got a long way to go, but we've made great progress here," Baucus told the crowd of about 40 gathered at Libby City Hall. [...]

Judy Matott asked Baucus if he would work to improve Libby's image, and then asked him and Sebelius, "if either of you read the health care bill before it was passed and if not, that is the most despicable, irresponsible thing."

Baucus replied that if Libby residents assembled an economic development plan, he would do what he could to help, and he took credit for "essentially" writing the health care bill that passed the Senate.

"I don't think you want me to waste my time to read every page of the health care bill. You know why? It's statutory language," Baucus said. "We hire experts."

In response to Matott's question and another from a woman asking if the health care law was Constitutional, Baucus gave a broad defense of the changes, comparing them to programs like Social Security and Medicare that were unpopular when passed but

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have proven beneficial to Americans over the long term.

Health Secretary Kathleen Sebelius, left, is greeted by Centers for Medicare and Medicaid Services Regional Administrator Jeff Hinson, right, after a town hall meeting with Sen. Max Baucus in Libby.

"It's not perfect, nothing's perfect, but I'm telling you, ma'am, it's a good start," Baucus said. "Mark my words, several years from now you're going to look back and say, 'eh, maybe it isn't so bad.""

"Don't think so," Matott replied.

Sausage making is starting to look good by comparison.

Update 22:50. Erin Shields, a spokesman for the Senator Baucus has taken exception to my characterization of his usage of the phrase "waste of time." Her statement follows:

Senator Baucus wrote the bill that passed the Finance Committee and then worked with his colleagues to write the health care bill that is law today. He has spent years crafting this policy and hundreds of hours reading and perfecting it. There is simply no question that he understands the provisions in the health care law and knows it is a historic improvement that will make our health care system more affordable and accessible for families in Montana and across America.

On the question of whether Baucus had actually read the bill minus the statutory language, Shields said that the senator's statement "stands on its own" but would not elaborate.

I'm awaiting a further statement from Baucus' staff as to whether or not the senator was aware of a provision of the health care law (unpopular even among liberals) which mandates that businesses send out 1099 tax forms to any individual or corporation from which they purchase goods or services worth more than \$600.

Section 9006 of the law will mandate filing of millions of tax forms by many small businesses. In May, an unnamed Democratic staffer for the Finance Committee on which Baucus sits defended the bill to CNN when asked why it was being included in the health care bill:

Why did these tax code revisions get included in a health-care reform bill? Welcome to Washington. The idea seems to be that using 1099 forms to capture unreported income will generate more government revenue and help offset the cost of the health bill.

A Democratic aide for the Senate Finance Committee, which authored the changes, defended the move.

"Information reporting improves tax compliance without raising taxes on small businesses," the aide said. "Health care reform includes more than \$35 billion in tax cuts for small businesses ... indicating that during these tough economic times, Congress is delivering the tax breaks small businesses need to thrive."

The new rules could drastically alter the tax-reporting landscape by spotlighting

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payments that previously went unreported. Freelancers and other independent operators typically write off stacks of business expenses; having to issue tax paperwork documenting each of them could cut down on fraudulent deductions.

More significantly, the 1099 trail would expose payments to small operators that might now be going unreported. If you buy a computer for your business from a major chain retailer, the seller almost certainly documents the revenue. But if you buy it from Tim's Computer Shack down the street, Tim might not report and pay taxes on his income from the sale.

The IRS estimates that the federal government loses more than \$300 billion each year in tax revenue on income that goes unreported. Using 1099s to document millions of transactions that now go untracked is one way to begin to close the gap.

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