

## **Debate on Small-Business Bill Likely to Highlight Spending, Other Issues**

By Niels Lesniewski, CQ Staff

With the Senate poised to begin the amendment process on a small-business research bill, the chamber's top Republican is signaling that it is likely to be used as a vehicle for the ongoing debate over federal spending.

Minority Leader Mitch McConnell, R-Ky., has suggested that GOP lawmakers could propose amendments to the small-business measure aimed at cutting federal spending. He said that would require both sides to continue to respect the Senate's practice of allowing non-germane amendments. "We can offer amendments on any subject," McConnell said March 13 on "Fox News Sunday."

Already this year, Republicans have pressed the Senate to hold roll call votes on a variety of fiscal issues on non-spending measures. That includes proposals to eliminate "orphan" earmarks and to prioritize payment to government bondholders in the event the country reaches the statutory debt limit.

"We've had a couple of bills up this year that were not directly related to spending. But my members have been offering spending-reduction amendments," McConnell said. "So we intend to continue to focus on reducing government spending no matter what bill happens to be before the Senate."

It appears to differ from a group of 10 Senate Republicans, led by David Vitter, R-La., that pledged last week to oppose proceeding

to the small-business legislation and any other bill until Democrats agreed to consider budget overhaul legislation.

Vitter and others sent Majority Leader Harry Reid, D-Nev., a letter last week announcing their intent to object. “I can’t imagine anything so senseless. This program creates jobs,” Reid said Monday. “To be honest with you, I’m kind of offended by that letter.”

## **POSSIBLE ‘1099’ REPEAL AMENDMENT**

Among the amendments that could be offered Tuesday is a proposal by Mike Johanns, R-Neb., that would repeal an unpopular tax-reporting requirement enacted as part of the 2010 health care overhaul (PL 111-148, PL 111-152). The “1099” provision requires businesses to report to the IRS any vendor receiving more than \$600 a year. The reporting requirement is intended as a way to increase tax compliance. Johanns has led Senate Republicans seeking to repeal the provision.

“The senator stands ready to give it another shot [Tuesday], and every possible opportunity in the future, to beat back the silent but deadly opposition out to repealing this burdensome mandate,” said Johanns’ spokesman Steve Wymer.

The newest Johanns repeal amendment uses the same pay-for contained in a House-passed repeal bill (HR 4). It would reclaim a greater share of overpayments of tax credits meant to help low- and middle-income individuals buy health insurance. Last week, five Democrats wrote to Reid opposing the offset, saying it would amount to a tax increase on low- and middle-income Americans.

Even if the Senate adopted the language as an amendment to the small business bill, it would still need to be attached to an eligible revenue measure from the House.

Republicans may not be alone in seeking to attach unrelated amendments to the small business bill. Bernard Sanders, I-Vt., is planning to introduce an amendment as early as Tuesday that he says would protect Social Security.

## **SMALL BUSINESS BILL ADVANCES**

The Senate voted 84-12 on Monday to limit debate on proceeding to an eight-year reauthorization bill (S 493) for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Once the Senate formally proceeds to the measure, it will be ripe for attaching amendments.

Reid has not indicated whether he will file a cloture motion to limit debate on the bill. Only germane amendments can be considered once cloture is invoked.

Democrats tout the legislation as the third in a sequence of bills designed to save or create jobs, following a Federal Aviation Administration reauthorization (S 223) and a patent law overhaul (S 23). Both of those measures passed the Senate with broad bipartisan support.

Reid praised the SBIR and STTR grant programs Monday, saying, “The only way to turn our economy around is to continue investing in the small businesses in Nevada and across our country that . . . come up with the next brilliant technological advancement that will put people back to work.”

The Obama administration has touted the bill as part of its innovation agenda. The measure resembles legislation that the Senate passed last year but that the House did not clear.

Republicans on the House Small Business Committee have preferred a much shorter reauthorization of the programs and have scheduled a hearing to discuss the SBIR on Wednesday.

Senate Small Business and Entrepreneurship Chairwoman Mary L. Landrieu, D-La., and the panel's ranking Republican, Olympia J. Snowe of Maine, have been working to complete the reauthorization of the two programs for several years.

*Emily Ethridge and Eugene Mulero contributed to this story.*