Senate Rejects Repeal of Health Care Law By DAVID M. HERSZENHORN

WASHINGTON — Senate Democrats on Wednesday defeated a bid by Republicans to repeal last year's sweeping health care overhaul, as they successfully mounted a partyline defense of President Obama's signature domestic policy achievement.

Challenges to the law will continue, however, on Capitol Hill and in the courts, with the United States Supreme Court ultimately expected to decide if the law is constitutional.

The vote was 47 to 51, with all Republicans voting unanimously for repeal but falling 13 votes short of the 60 needed to advance their proposal.

Lawmakers in both parties joined forces, however, to repeal a tax provision in the law that would impose a huge information-reporting requirement on small businesses. That vote was 81 to 17, with 34 Democrats and all 47 Republicans in favor.

Senators Joseph I. Lieberman, independent of Connecticut, and Mark Warner, Democrat of Virginia, were absent.

Republicans said after the votes that they would persist in their efforts to overturn the law. Rejecting assertions that the repeal vote was a "futile act," Senator John Cornyn of Texas, the chairman of the Republican Senatorial Campaign Committee, declared, "These are the first steps in a long road that will culminate in 2012."

Senator John Thune, Republican of South Dakota and a potential presidential candidate in 2012, noted that Republicans had just 40 votes when they opposed the health care bill last year, but that they had 47 as a result of winning seats in November.

"Elections do have consequences," Mr. Thune said.

The vote to eliminate the tax provision offered a brief moment of consensus on a day otherwise characterized by angry partisan disagreement. In the latest reprise of last year's fierce debate over the health care law, senators crossed rhetorical swords for hours of floor debate.

Republicans denounced the overhaul as impeding job creation and giving the government too big a role in the health care system. Democrats highlighted the law's benefits, especially for the uninsured, and noted that the nonpartisan Congressional Budget Office had projected that the law would reduce future deficits.

Senator Rand Paul, Republican of Kentucky, who is an ophthalmologist, cited the law's requirement that nearly all Americans obtain insurance as evidence that it was unconstitutional and overly intrusive.

"If you can regulate inactivity, basically the non-act of not buying insurance, then there is

no aspect to our life that would left free from government regulation and intrusion," Mr. Paul said. He added, "From my perspective as a physician, I saw that we already had too much government involvement in health care."

But Democrats hit back hard.

"The Republicans' obsession with repealing the new health reform law is not based on budgetary considerations," said Senator Tom Harkin, Democrat of Iowa, the chairman of the Health, Education, Labor and Pensions Committee. "It is based strictly on ideology. They oppose the law's crackdown on abuses by health insurance companies and they oppose any serious effort by the federal government to secure health insurance coverage for tens of millions of Americans who currently have none."

And Senator Charles E. Schumer of New York, the No. 3 Democrat, lambasted Republicans for seeking repeal of the law without proposing an alternative.

"If my colleagues on the other side of the aisle said: 'You know, you're right. We have to reduce costs. We have a better way,' and they offered a bill on the floor, well maybe we'd take a look at it," Mr. Schumer said. "But they're silent." He added: "Easy to sit there and say, 'repeal.' What would you put in its place?"

The repeal measure, which was adopted overwhelmingly by the Republican-controlled House last month, was put forward by the Senate Republican leader, Mitch McConnell of Kentucky, as an amendment to an aviation industry bill that is now on the Senate floor.

The willingness of the majority Senate Democrats to allow a vote on the amendment reflected a deal among leaders of both parties to limit the parliamentary warfare and ease the procedural stalemates that have bogged down the Senate in recent years.

The openness to a vote also reflected confidence among Democrats that they would be able to defeat the amendment.

And they did, challenging the amendment on the grounds that it violated the budget resolution by increasing the deficit. To overcome that challenge, and win approval, Mr. McConnell needed the votes of 60 senators.

On the repeal of the tax provision, a similar challenge on budget grounds was easily surmounted. Republicans had criticized the provision, which would require businesses to file a 1099 tax form identifying anyone to whom they paid \$600 or more for goods or merchandise in a year. Businesses would also be required to send copies of the form to their vendors, suppliers and contractors. The House is expected to support its repeal.

Because the tax provision was expected to result in increased tax revenue, Democrats had to come up with another way to generate the same money. The plan that was approved, sponsored by Senator Debbie Stabenow, Democrat of Michigan, rescinds \$44 billion in

unspent money appropriated by Congress. But it exempts the Pentagon, the Department of Veterans Affairs and the Social Security Administration from those cuts.