

WASHINGTON, DC – U.S. Reps. Wally Herger (R-CA) and Ron Kind (D-WI) have re-introduced legislation to address an unfair tax on health insurance premiums for the self-employed. Under the current tax code, corporations can deduct the cost of health insurance premiums as a business expense and forego payroll (FICA) taxes on these costs. Last year Congress passed legislation allowing the self-employed to fully deduct their health coverage costs from their 2010 taxes. This provides an important tax break for the over 23 million self-employed Americans that represent 78 percent of all small businesses in the U.S. It is estimated that the new one-year tax deduction on health costs for payroll tax purposes will save self-employed business owners anywhere from \$450 to nearly \$1000 on their 2010 tax returns. This deduction only applies to the 2010 tax year and without action the self-employed can expect to see their taxes go up by an average of 15%. The Herger-Kind legislation would permanently eliminate this inequality in our tax code and level the playing field for small businesses.

Rep. Herger said, “As America’s economy continues to struggle and we search for ways to jumpstart job creation, it is both unfair and detrimental to our efforts to penalize sole proprietors with additional taxes that larger businesses can write off. Allowing the self-employed to deduct their health care costs is the right thing to do and it is critical that we make this deduction permanent. By doing so we will help the engine of job creation while making health insurance more affordable for millions of Americans. I look forward to continuing to work with Rep. Kind and the small business community to advance this legislation.”

Rep Kind commented, “Self-employed business owners are the backbone of our communities,” said Rep. Kind. “Especially in this tough economic environment, we must work to equalize the tax code, so that the self-employed are treated the same way as larger corporations. Based on legislation that I authored and which was made law during the last Congress, the self-employed were allowed to deduct their health care costs for 2010, but the fix was only good for one year. The self-employed deserve a permanent tax break that not only helps eliminate additional financial stress on the businesses that are helping to grow our economy but also is a common-sense way to help make health care more affordable.”

National Association for the Self-Employed Executive Director Kristie Arslan added, “While NASE appreciated the temporary one-year tax deduction that was included in the last year’s Small Business Jobs and Credit Act of 2010, we believe strongly that this deduction should be

permanent. The legislation proposes a small change in the tax code that has the potential to impact millions of sole proprietors. For far too long, the self-employed have not received the same tax treatment as big business in regards to health care costs. The creation of a permanent tax deduction will right that wrong by allowing sole proprietors to deduct their health premiums as a business expense."

The Equity for Our Nation's Self-Employed Act is supported by the following organizations:

- Alliance of Visual Artists
- American Farm Bureau Federation
- American Small Business Alliance
- The American Small Business Coalition
- American Veterinary Medical Association
- Arkansas State Chamber of Commerce
- Associated Industries of Arkansas, Inc.
- Associated Builders & Contractors
- Association for Enterprise Opportunity
- Association of Small Business Development Centers
- California Small Business Association
- Coalition for Affordable Health Coverage
- Communicating for America
- Computing Technology Industry Association
- Council for Affordable Health Insurance
- Council of Smaller Enterprises
- Delaware State Chamber of Commerce Small Business Alliance
- Detroit Regional Chamber
- Greater Albuquerque Chamber of Commerce
- Greater Seattle Business Association
- Indiana Chamber of Commerce
- Kentucky Chamber of Commerce
- Missouri Chamber of Commerce & Industry
- Missouri Merchants & Manufacturers Association
- Montana Chamber of Commerce
- National Association of Realtors
- National Association for the Self-Employed
- National Association of Women Business Owners
- National Black Chamber of Commerce
- National Cattlemen's Beef Association
- National Court Reporters Association
- National Federation of Independent Business
- National Small Business Association
- New Jersey Chamber of Commerce
- North Carolina Citizens for Business and Industry

- North Dakota Chamber of Commerce
- Rockford Chamber of Commerce
- San Francisco Chamber of Commerce
- Small Business California
- Small Business & Entrepreneurship Council
- Small Business Legislative Council
- Small Business Majority
- Small Business United of Texas
- Society of American Florists
- Tennessee Chamber of Business & Industry
- U.S. Chamber of Commerce
- United States Hispanic Chamber of Commerce
- Virginia Chamber of Commerce
- Women Entrepreneurs Inc.
- Women Impacting Public Policy