

107TH CONGRESS
1ST SESSION

H. R. 317

To amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2001

Mr. MANZULLO (for himself, Ms. VELÁZQUEZ, Mr. ENGLISH, Mrs. THURMAN, and Mr. GRAVES) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Self-Employed Health
5 Insurance Fairness Act of 2001”.

6 **SEC. 2. DEDUCTION FOR HEALTH INSURANCE COSTS OF**
7 **SELF-EMPLOYED INDIVIDUALS INCREASED.**

8 (a) IN GENERAL.—Section 162(l)(1) of the Internal
9 Revenue Code of 1986 (relating to special rules for health

1 insurance costs of self-employed individuals) is amended
2 to read as follows:

3 “(1) ALLOWANCE OF DEDUCTION.—In the case
4 of an individual who is an employee within the
5 meaning of section 401(c)(1), there shall be allowed
6 as a deduction under this section an amount equal
7 to the amount paid during the taxable year for in-
8 surance which constitutes medical care for the tax-
9 payer, the taxpayer’s spouse, and dependents.”

10 (b) CLARIFICATION OF LIMITATIONS ON OTHER COV-
11 ERAGE.—The first sentence of section 162(l)(2)(B) of
12 such Code is amended to read as follows: “Paragraph (1)
13 shall not apply to any taxpayer for any calendar month
14 for which the taxpayer participates in any subsidized
15 health plan maintained by any employer (other than an
16 employer described in section 401(c)(4)) of the taxpayer
17 or the spouse of the taxpayer.”

18 (c) DEDUCTION TAKEN INTO ACCOUNT FOR SELF-
19 EMPLOYMENT TAX PURPOSES.—Section 162(l) of such
20 Code is amended by striking paragraph (4) and redesi-
21 gnating paragraph (5) as paragraph (4).

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2000.

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