



National Association of Health Underwriters

America's Benefits Specialists

July 13, 2010

The Honorable Max Baucus
Chairman, Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mary Landrieu
Chair, Senate Committee on Small Business
428-A Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Baucus and Landrieu:

On behalf of the 100,000 professional health insurance agents and brokers comprising the National Association of Health Underwriters (NAHU), I want to congratulate your leadership in introducing the Small Business Jobs Act of 2010, and especially applaud the self-employed tax equity provision contained in your legislation.

NAHU has long advocated equalizing the ability of corporations and the self-employed to deduct health insurance premiums as a business expense. Under current law, while corporations are able to deduct health insurance premiums as a business expense and to forego FICA (Social Security and Medicare) taxes on these expenses, the self-employed are unable to deduct premiums as a business expense and are required to pay an additional 15.3 percent self-employment tax on these expenses. As a result, the self-employed are required to pay significantly more in self-employment tax, their payroll taxes.

In making this health care tax change, your legislation would assist in making health care more affordable for millions of working Americans while also creating an equitable tax environment for all business entities.

While we understand that your legislation as currently written would provide this tax relief only during calendar year 2010, we would look forward to working with you and other stakeholders in making this provision permanent.

Sincerely,

Janet Trautwein
Executive Vice President and CEO