



October 11, 2007

The Honorable Ron Kind
U.S. House of Representatives
1406 Longworth House Office Building
Washington, D.C. 20515

The Honorable Wally Herger
U.S. House of Representatives
2268 Rayburn Office Building
Washington, D.C. 20515

Dear Representative Ron Kind and Representative Wally Herger:

On behalf of the National Association for the Self-Employed (NASE), I am writing to thank you for introducing the **Equity for Our Nation's Self-Employed Act of 2007 (H.R. 3660)**. This legislation will give over 20 million self-employed Americans better access to affordable health care coverage, ending a significant tax inequality that has contributed to the nation's health-care crisis.

One of the main goals of the NASE is to combine the influence of our over 250,000 member businesses, representing over 600,000 owners and employees, so that the voice of micro-business in general can be heard; a voice that only asks to have the same opportunity for success afforded to big business. In the nation's current health care crisis, the self-employed have been hit particularly hard, facing rising costs of health care combined with a large inequity in the tax code. The Equity for Our Nation's Self-Employed Act of 2007 would eliminate this strong cost penalty on health insurance imposed on the self-employed and make quality health care more affordable for millions of Americans who now make up the majority of working uninsured.

Under the current tax code, the inequity faced by the self-employed lies in the payment of self-employment tax on health insurance premiums. 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, sole proprietors 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. The self-employed are the only segment of the business population that pays this extra tax on health insurance.

The Equity for Our Nation's Self-Employed Act of 2007 addresses this unfairness by eliminating the requirement that the self-employed claim health insurance premiums when determining self-employment tax. If H.R. 3660 passes, a self-employed individual would save hundreds and even thousands of dollars they are currently paying in taxes on their health insurance. This is money that could be used to reinvest and grow their business, cover the ever-increasing costs of their current health coverage or provide funds to afford health coverage if they are currently uninsured.

We thank you for your leadership and sponsoring the Equity for Our Nation's Self-Employed Act of 2007 (H.R. 3660). If you have any questions or comments, please contact Kristie Darien via phone at 202-466-2100 or e-mail at kdarien@nase.org. We look forward to working with you and your staff on this important issue.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Hughes", written in a cursive style.

Robert Hughes
NASE President