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October 4, 2007

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U.S. Rep. Ron Kind
1406 Longworth HOB
Washington, DC 20515

U.S. Rep. Wally Herger
2268 Rayburn HOB
Washington DC 20515

Dear Representatives Kind and Herger:

The Coalition for Affordable Health Coverage (CAHC) is pleased to support H.R. 3660, the "Equity for our Nation's Self-Employed Act." This bill would correct an existing tax inequity that unfairly penalizes small businesses. It would make health insurance more affordable for self-employed individuals, many of whom are currently going without coverage due to cost. We commend you and Representative Kind for your leadership in sponsoring this bill.

CAHC has more than 20 members from a broad cross-section of industries, including many organizations representing small businesses. Our goal is to help Congress identify and pass proposals that reduce the uninsured by making private health insurance more affordable. Your legislation would help approximately 19 million sole-proprietors (Schedule C filers) who currently are the only business entities who pay a 15.3% FICA tax on the income they use to purchase health insurance. This tax on small business owners is significant – it can be almost \$2000 a year (family policy at \$11,480 x 15.3% = \$1,756 in extra taxes). Small businesses are the economic engine of our country, creating millions of new jobs and innovative services and products critical to country's growth. They should not be singled out to pay Social Security and Medicare taxes on health insurance premium payments, particularly when more than half of micro-business owners go without coverage. We support your legislation to exclude the cost of their health insurance from their income for the purpose of calculating their payroll taxes.

We thank you for your leadership and work in making health insurance more affordable to all Americans. We look forward to working with you on this important issue.

Sincerely,

Laura Clay Trueman
Executive Director, CAHC