

105TH CONGRESS
2D SESSION

H. R. 3475

To amend the Internal Revenue Code of 1986 to allow a deduction for the health insurance costs of all individuals who are not eligible to participate in employer-subsidized health plans.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1998

Mrs. JOHNSON of Connecticut 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 the health insurance costs of all individuals who are not eligible to participate in employer-subsidized health plans.

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 “Tax Fairness for
5 Health Consumers Act of 1998”.

1 **SEC. 2. DEDUCTION FOR HEALTH INSURANCE COSTS FOR**
 2 **INDIVIDUALS NOT ELIGIBLE TO PARTICI-**
 3 **PATE IN EMPLOYER-SUBSIDIZED HEALTH**
 4 **PLANS.**

5 (a) IN GENERAL.—Part VII of subchapter B of chap-
 6 ter 1 of the Internal Revenue Code of 1986 (relating to
 7 additional itemized deductions) is amended by redesignat-
 8 ing section 222 as section 223 and by inserting after sec-
 9 tion 221 the following new section:

10 **“SEC. 222. HEALTH INSURANCE COSTS.**

11 “(a) IN GENERAL.—In the case of an individual,
 12 there shall be allowed as a deduction an amount equal to
 13 the applicable percentage of the amount paid during the
 14 taxable year for insurance which constitutes medical care
 15 for the taxpayer, his spouse, and dependents.

16 “(b) APPLICABLE PERCENTAGE.—For purposes of
 17 subsection (a), the applicable percentage shall be deter-
 18 mined in accordance with the following table:

“For taxable years beginning	The applicable percentage is—
in calendar year—	
1998 and 1999	45
2000 and 2001	50
2002	60
2003 through 2005	80
2006	90
2007 and thereafter	100.

19 “(c) LIMITATIONS.—

20 “(1) OTHER COVERAGE.—Subsection (a) shall
 21 not apply to any taxpayer for any calendar month

1 for which the taxpayer is eligible to participate in
2 any subsidized health plan maintained by any em-
3 ployer of the taxpayer or of the spouse of the tax-
4 payer. The preceding sentence shall be applied sepa-
5 rately with respect to—

6 “(A) plans which include coverage for
7 qualified long-term care services (as defined in
8 section 7702B(c)) or are qualified long-term
9 care insurance contracts (as defined in section
10 7702B(b)), and

11 “(B) plans which do not include such cov-
12 erage and are not such contracts.

13 “(2) LONG-TERM CARE PREMIUMS.—In the
14 case of a qualified long-term care insurance contract
15 (as defined in section 7702B(b)), only eligible long-
16 term care premiums (as defined in section
17 213(d)(10)) shall be taken into account under sub-
18 section (a).

19 “(3) MEDICARE PREMIUMS.—Subsection (a)
20 shall not apply to amounts paid as premiums under
21 part B of title XVIII of the Social Security Act.

22 “(d) SPECIAL RULES.—

23 “(1) COORDINATION WITH MEDICAL DEDUC-
24 TION, ETC.—Any amount paid by a taxpayer for in-
25 surance to which subsection (a) applies shall not be

1 taken into account in computing the amount allow-
 2 able to the taxpayer as a deduction under section
 3 213(a).

4 “(2) DEDUCTION NOT ALLOWED FOR SELF-EM-
 5 PLOYMENT TAX PURPOSES.—The deduction allow-
 6 able by reason of this section shall not be taken into
 7 account in determining an individual’s net earnings
 8 from self-employment (within the meaning of section
 9 1402(a)) for purposes of chapter 2.”

10 (b) CONFORMING AMENDMENTS.—

11 (1) Subsection (l) of section 162 of such Code
 12 is hereby repealed.

13 (2) Subsection (a) of section 62 of such Code
 14 is amended by inserting after paragraph (17) the
 15 following new paragraph:

16 “(18) HEALTH INSURANCE COSTS OF CERTAIN
 17 INDIVIDUALS.—The deduction allowed by section
 18 222.”

19 (3) The table of sections for part VII of sub-
 20 chapter B of chapter 1 of such Code is amended by
 21 striking the last item and inserting the following
 22 new items:

“Sec. 222. Health insurance costs.
 “Sec. 223. Cross reference.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1997.

○