

105TH CONGRESS
2D SESSION

H. R. 4642

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1998

Mr. SMITH of Michigan 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 100 percent deduction for 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. 100 PERCENT DEDUCTION FOR HEALTH INSUR-**
4 **ANCE COSTS OF SELF-EMPLOYED INDIVID-**
5 **UALS.**

6 (a) IN GENERAL.—Paragraph (1) of section 162(l)
7 of the Internal Revenue Code of 1986 (relating to special
8 rules for health insurance costs of self-employed individ-
9 uals) is amended to read as follows:

1 “(1) ALLOWANCE OF DEDUCTION.—In the case
2 of an individual who is an employee within the
3 meaning of section 401(c)(1), there shall be allowed
4 as a deduction under this section an amount equal
5 to 100 percent of the amount paid during the tax-
6 able year for insurance which constitutes medical
7 care for the taxpayer, his spouse, and dependents.”.
8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 1998.

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