

106TH CONGRESS
1ST SESSION

S. 194

To amend the Internal Revenue Code of 1986 to allow the first \$2,000 of health insurance premiums to be fully deductible.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mrs. BOXER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow the first \$2,000 of health insurance premiums to be fully deductible.

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 “Health Insurance Tax
5 Relief Act”.

6 **SEC. 2. FIRST \$2,000 OF HEALTH INSURANCE PREMIUMS**
7 **FULLY DEDUCTIBLE.**

8 (a) IN GENERAL.—Subsection (a) of section 213 of
9 the Internal Revenue Code of 1986 (relating to medical,
10 dental, etc., expenses) is amended to read as follows:

1 “(a) ALLOWANCE OF DEDUCTION.—There shall be
2 allowed as a deduction the following amounts not com-
3 pensated for by insurance or otherwise—

4 “(1) the amount by which the amount of ex-
5 penses paid during the taxable year (reduced by the
6 amount deductible under paragraph (2)) for medical
7 care of the taxpayer, the taxpayer’s spouse, and the
8 taxpayer’s dependents (as defined in section 152) ex-
9 ceeds 7.5 percent of adjusted gross income, plus

10 “(2) so much of the expenses paid during the
11 taxable year for insurance which constitutes medical
12 care under subsection (d)(1)(D) (other than for a
13 qualified long-term care insurance contract) for such
14 taxpayer, spouse, and dependents as does not exceed
15 \$2,000.”

16 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
17 PAYER ITEMIZES DEDUCTION.—Section 62(a) of the In-
18 ternal Revenue Code of 1986 (defining adjusted gross in-
19 come) is amended by inserting after paragraph (17) the
20 following new paragraph:

21 “(18) HEALTH INSURANCE PREMIUMS.—The
22 deduction allowed by section 213(a)(2).”

23 (c) CONFORMING AMENDMENT.—Section
24 162(l)(1)(A) of the Internal Revenue Code of 1986 (relat-

1 ing to special rules for health insurance costs of self-em-
 2 ployed individuals) is amended to read as follows:

3 “(A) IN GENERAL.—In the case of an indi-
 4 vidual who is an employee within the meaning
 5 of section 401(c)(1), there shall be allowed as
 6 a deduction under this section an amount equal
 7 to the sum of—

8 “(i) so much of the amount paid dur-
 9 ing the taxable year for insurance which
 10 constitutes medical care for the taxpayer,
 11 his spouse, and dependents as does not ex-
 12 ceed \$2,000, plus

13 “(ii) the applicable percentage of the
 14 amount so paid in excess of \$2,000.”

15 (d) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 December 31, 1999.

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