

108TH CONGRESS  
2D SESSION

# H. R. 5074

To amend the Internal Revenue Code of 1986 to provide a 100 percent deduction for the health insurance costs of individuals.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2004

Mr. CHABOT 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 provide a 100 percent deduction for the health insurance costs of 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. SHORT TITLE.**

4       This Act may be cited as the “Health Insurance Af-  
5       fordability Act of 2004”.

6       **SEC. 2. DEDUCTION FOR QUALIFIED HEALTH INSURANCE**  
7               **COSTS OF INDIVIDUALS.**

8       (a) IN GENERAL.—Part VII of subchapter B of chap-  
9       ter 1 of the Internal Revenue Code of 1986 (relating to  
10       additional itemized deductions) is amended by redesignig-

1 nating section 224 as section 225 and by inserting after  
 2 section 223 the following new section:

3 **“SEC. 224. COSTS OF QUALIFIED HEALTH INSURANCE.**

4       “(a) IN GENERAL.—In the case of an individual,  
 5 there shall be allowed as a deduction an amount equal to  
 6 the amount paid during the taxable year for coverage for  
 7 the taxpayer, his spouse, and dependents under qualified  
 8 health insurance.

9       “(b) QUALIFIED HEALTH INSURANCE.—For pur-  
 10 poses of this section, the term ‘qualified health insurance’  
 11 means insurance which constitutes medical care; except  
 12 that such term shall not include any insurance if substan-  
 13 tially all of its coverage is of excepted benefits described  
 14 in section 9832(c).

15       “(c) SPECIAL RULES.—

16               “(1) COORDINATION WITH MEDICAL DEDUC-  
 17 TION, ETC.—Any amount paid by a taxpayer for in-  
 18 surance to which subsection (a) applies shall not be  
 19 taken into account in computing the amount allow-  
 20 able to the taxpayer as a deduction under section  
 21 162(l) or 213(a).

22               “(2) DEDUCTION NOT ALLOWED FOR SELF-EM-  
 23 PLOYMENT TAX PURPOSES.—The deduction allow-  
 24 able by reason of this section shall not be taken into  
 25 account in determining an individual’s net earnings

1 from self-employment (within the meaning of section  
2 1402(a)) for purposes of chapter 2.”.

3 (b) DEDUCTION ALLOWED IN COMPUTING AD-  
4 JUSTED GROSS INCOME.—Subsection (a) of section 62 of  
5 such Code is amended by inserting after paragraph (19)  
6 the following new paragraph:

7 “(20) COSTS OF QUALIFIED HEALTH INSUR-  
8 ANCE.—The deduction allowed by section 224.”.

9 (c) CLERICAL AMENDMENT.—The table of sections  
10 for part VII of subchapter B of chapter 1 of such Code  
11 is amended by striking the last item and inserting the fol-  
12 lowing new items:

“Sec. 224. Costs of qualified health insurance.  
“Sec. 225. Cross reference.”

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2004.

○