

109TH CONGRESS
1ST SESSION

H. R. 2176

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

MAY 5, 2005

Mr. CHABOT (for himself, Mr. GOODE, Mr. COX, Mr. PRICE of Georgia, and Mr. PAUL) 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 2005”.

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

1 additional itemized deductions) is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

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

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

10 “(b) QUALIFIED HEALTH INSURANCE.—For purposes 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 substantially all of its coverage is of excepted benefits described
13 in section 9832(c).
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16 “(c) SPECIAL RULES.—

17 “(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be
18 taken into account in computing the amount allowable to the taxpayer as a deduction under section
19 162(l) or 213(a). Any amount taken into account in
20 determining the credit allowed under section 35 shall
21 not be taken into account for purposes of this section.
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1 “(2) DEDUCTION NOT ALLOWED FOR SELF-EM-
 2 PLOYMENT TAX PURPOSES.—The deduction allow-
 3 able by reason of this section shall not be taken into
 4 account in determining an individual’s net earnings
 5 from self-employment (within the meaning of section
 6 1402(a)) for purposes of chapter 2.”.

7 (b) DEDUCTION ALLOWED IN COMPUTING AD-
 8 JUSTED GROSS INCOME.—Subsection (a) of section 62 of
 9 such Code is amended by inserting before the last sentence
 10 the following new paragraph:

11 “(21) COSTS OF QUALIFIED HEALTH INSUR-
 12 ANCE.—The deduction allowed by section 224.”.

13 (c) CLERICAL AMENDMENT.—The table of sections
 14 for part VII of subchapter B of chapter 1 of such Code
 15 is amended by redesignating the item relating to section
 16 224 as an item relating to section 225 and inserting before
 17 such item the following new item:

“Sec. 224. Costs of qualified health insurance.”.

18 (d) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years beginning after
 20 December 31, 2005.

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