

109TH CONGRESS  
1ST SESSION

# H. R. 4218

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

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 3, 2005

Mr. McHUGH introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 “Affordable Health Care  
5       for Americans 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  
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). Any amount taken into account in  
22 determining the credit allowed under section 35 shall  
23 not be taken into account for purposes of this sec-  
24 tion.

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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