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July 21, 2021

The Honorable Antonio Delgado
U.S. House of Representatives
1007 Longworth House Office Building
Washington, D.C. 20510

The Honorable Maria Elvira Salazar
U.S. House of Representatives
1616 Longworth House Office Building
Washington, D.C. 20510

Dear Representative Delgado and Salazar:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of the *Tax Fairness for the Self-Employed Act*.

The cost of health insurance continues to be the number-one small business problem, according to NFIB's 2020 *Small Business Problems and Priorities* survey. The Internal Revenue Code (IRC) does not allow self-employed individuals the same tax advantage as wage earners in the deduction of health insurance premiums under federal law, artificially increasing health insurance costs for small business owners. A wage earner may deduct health insurance with pre-tax dollars. Although the self-employed can generally reduce their taxable income by the cost of health insurance premiums, they still must pay self-employment tax on this amount.

The *Tax Fairness for the Self-Employed Act* would repeal IRC section 162(l)(4), which disallows the deduction of the cost of health insurance in computing the net earnings of a sole proprietor for self-employment tax purposes. This legislation remedies the structural unfairness for many of our nation's small business owners, resulting in lower health insurance costs.

NFIB supports the *Tax Fairness for the Self-Employed Act* and appreciates your advocacy on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman". The signature is written in a cursive, slightly slanted style.

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB