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,

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB