

NASE release on S. 2433

For Immediate Release
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SENATE HEALTH-CARE BILL FOR SELF-EMPLOYED IS 'MAJOR STEP FORWARD' FOR NATION'S SMALLEST BUSINESSES

Association Lauds Senate Introduction of 'Equity for Our Nation's Self-Employed Act of 2004'
as Significant Step in Aiding Largest Group of Working Uninsured

Striking at Tax Inequities as Key Area for Reform

Washington, D.C., May 19, 2004 – Calling a bill introduced yesterday in the U.S. Senate a major step forward in addressing the plight of the self-employed as the nation's largest group of uninsured workers, the National Association for the Self-Employed (NASE) today called for political leaders to unite behind robust legislation to address health-care affordability as a leading concern of small business today and as a key impediment to job creation and growth. In lauding the "Equity for Our Nation's Self-Employed Act of 2004," S. 2433 –introduced yesterday by Senator Jeff Bingaman (D-NM) and Senator Craig Thomas (R-WY) as a companion bill to H.R.1873 in the House of Representatives -- the NASE said the proposed legislation offers the strongest course for correcting the health-care cost inequities uniquely imposed on the nation's 16 million self-employed individuals. The introduction of the Senate bill comes on the heels of "Cover the Uninsured Week," and a report and proposal issued last week by the Senate Republican Task Force on Health Care Costs and the Uninsured. Through its recommendations, the Task Force has advanced a multi-level proposal that focuses on driving down costs primarily through reform of medical liability laws, efficient use of technology and other measures to streamline administrative procedures that add to spiraling costs. The proposal also calls for tax-free Health Savings Accounts and Association Health Plans, which would enable businesses to band together to achieve group savings. "While the NASE supports consumer-driven actions aimed at reducing health-care costs for micro-businesses, we believe those recommended by the Senate Republican Task Force last week do not go far enough in addressing the issue of tax remediation that is pivotal to providing access to affordable health care for millions of America's self-employed," said NASE President Robert Hughes.

Hughes said the House and Senate bills strike at the heart of the cost inequities faced by the self-employed as the only business group required to pay taxes on health-care costs. As a result, the self-employed pay on average almost 20 percent more for insurance than workers for larger corporations. Both bills call for eliminating the strong tax penalties imposed on the self-employed which currently require them to pay a 15.3 percent "self-employment tax" on all of their health-care expenses. The pending legislation would enable the self-employed to deduct their health-care premiums as a normal business expense, as larger corporations already are allowed to do.

The rising cost of health care consistently ranks at the top of issues of concern for small businesses. According to NASE research, 70 percent of micro-businesses with fewer than ten employees do not offer health coverage, with costs cited as the key reason. For many micro-business owners, the burden of providing health-care coverage under the current conditions is a major impediment to hiring and job creation.

"We consistently hear that health-care costs are a major concern in hiring today," says Hughes. "The newly introduced Senate bill will go a long way toward reducing costs and overcoming this important economic barrier."

For more information on the "Equity for Our Nation's Self-Employed Act of 2004," visit www.taxequity.org.

About the NASE

The National Association for the Self-Employed (NASE) is the nation's leading resource for the self-employed and micro-businesses, bringing a broad range of benefits to help entrepreneurs succeed and to drive the continued growth of this vital segment of the American economy. The NASE is a 501(c) (6) non-profit organization and provides big-business advantages to hundreds of thousands of micro-businesses across the United States. For more information, visit the association's web site at www.nase.org.