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**HATCH: FIX TAX INEQUITY TO HELP
SELF-EMPLOYED AFFORD HEALTH INSURANCE**

Washington – Sen. Orrin G. Hatch (R-Utah) yesterday joined Sen. Jeff Bingaman (D-NM) in introducing legislation (S. 2239) to correct an unfair tax law that helps make health insurance more affordable for millions of self-employed individuals and their families. Under current law, corporations are allowed to deduct health insurance premiums against employment taxes while the self-employed are not. According to the most recent (2005) Internal Revenue Service (IRS) data, there are more than 21 million Americans who are self-employed, including 168,000 Utahns. Hatch believes this legislation, which allows self-employed individuals to deduct their health insurance against payroll taxes, is a straightforward, fair way to make health insurance more affordable for the millions of Americans in families where the head of household is self-employed.

“The success of the American economy depends on entrepreneurs,” Hatch said. “The spirit of U.S. entrepreneurship has given us the technology and prosperity we enjoy today. Yet because of the staggering cost of providing health care for their families, many entrepreneurs cannot quit their day jobs to pursue their dreams. If enacted, this bill could go a long way toward helping such individuals take the risk of starting or keeping their own businesses.”

The Hatch bill could save a self-employed individual paying \$4,500 per year for health insurance as much as \$688.50 in taxes, which could significantly lower the cost of the health insurance premiums. Although the reasons leading to health insurance problems in this country are complex, Hatch believes there are some simple things that can and should be done right away to make insurance more affordable, particularly for those who struggle to obtain or keep coverage.

More than 40 business coalitions support the legislation, ranging from the American Farm Bureau Association to Women Entrepreneurs Inc. A PDF of frequently asked questions (FAQs) on this legislation is available on Hatch’s website at <http://hatch.senate.gov/index.cfm?FuseAction=DataPipes.ViewPDF&Id=1934>.

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