

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
Government Affairs

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WASHINGTON, D.C. 20062-2000
202/463-5310

March 21, 2006

The Honorable Melissa Hart
United States House of Representatives
1024 Longworth House Office Building
Washington, DC 20515

Dear Representative Hart:

As a longstanding advocate for making health care costs more affordable for small businesses, the U.S. Chamber of Commerce applauds your leadership on introducing H.R. 4961, the "Equity for Our Nation's Self-Employed Act of 2006". The Chamber strongly supports your efforts to provide equitable and cost effective health care solutions to America's small businesses.

If enacted into law, H.R. 4961 would allow sole proprietors and partnerships to exclude from self-employment income the value of health care premiums for the purposes of calculating payroll taxes (Social Security and Medicare). An equivalent exclusion from wages subject to payroll taxes is already enjoyed by owners of subchapter S corporations and C corporations. At a time when health care costs are soaring, small business owners should not be penalized by an additional tax on their health care premiums for merely choosing one form of business over another.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region. More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees. On behalf of these small employers, I thank you again for introducing this important piece of legislation and we look forward to working with you in its passage.

Sincerely,



R. Bruce Josten