



October 4, 2007

The Honorable Ron Kind  
U.S. House of Representatives  
1406 Longworth House Office Building  
Washington, DC 20515

The Honorable Wally Herger  
U.S. House of Representatives  
2268 Rayburn House Office Building  
Washington, DC 20515

Dear Congressmen Kind and Herger,

On behalf of the National Federation of Independent Business (NFIB) the leading small business advocacy group, I am writing in strong support of H.R. 3660, the Equity for Our Nation's Self-Employed Act of 2007. This bill would help put self-employed businesses on equal footing with their larger competitors.

Current law allows larger businesses to deduct 100% of the costs of employer provided health care from their income and FICA taxes. However, an imbalance still exists because those who are self-employed cannot deduct any health care costs from self-employment taxes. Fixing this inequity is an important step in helping entrepreneurs to gain access to affordable health care.

Your legislation would provide small-business owners more opportunity to purchase health care by allowing them to deduct any health care costs from their self-employment taxes, reducing their tax burdens by over 15%. Changing the law in this manner will bring much needed parity in the tax code and to the health care marketplace. The lack of deductibility for self-employment taxes means that small-business owners pay higher taxes simply because they work for themselves and not for large corporations that offer health care.

In these times of spiraling health care costs I commend your efforts to reduce the costs of health care for the self-employed. I am also pleased that you recognize the disparate treatment of small-business owners in the tax code. By allowing the self-employed to purchase health care with pre-tax dollars your legislation will help reduce the number of uninsured Americans.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Danner". The signature is fluid and cursive, with a long horizontal stroke extending to the left and right.

Dan Danner  
Executive Vice President  
Public Policy and Political