

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 262

To amend the Internal Revenue Code of 1986 to increase and make permanent the deduction for health insurance costs of self-employed individuals.

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 10), 1995

Mr. GRASSLEY (for himself, Mr. ROTH, Mr. DOLE, and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to increase and make permanent the deduction for health insurance costs of self-employed individuals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERMANENT EXTENSION AND INCREASE OF**  
4 **DEDUCTION FOR HEALTH INSURANCE COSTS**  
5 **OF SELF-EMPLOYED INDIVIDUALS.**

6 (a) DEDUCTION MADE PERMANENT.—Section 162(l)  
7 of the Internal Revenue Code of 1986 (relating to special  
8 rules for health insurance costs of self-employed individ-  
9 uals) is amended by striking paragraph (6).

1 (b) INCREASE IN DEDUCTION.—Section 162(l) of  
 2 such Code, as amended by subsection (a), is amended—

3 (1) by striking “25 percent” in paragraph (1)  
 4 and inserting “the applicable percentage”, and

5 (2) by adding at the end the following new  
 6 paragraph:

7 “(6) APPLICABLE PERCENTAGE.—For purposes  
 8 of paragraph (1), the applicable percentage shall be  
 9 determined as follows:

<b>“For taxable years beginning in:</b>	<b>The applicable percentage is:</b>
1994 .....	25
1995 .....	50
1996 .....	75
1997 and thereafter .....	100.”

10 (c) EFFECTIVE DATE.—The amendments made by  
 11 this section shall apply to taxable years beginning after  
 12 December 31, 1993.

○