

104TH CONGRESS
1ST SESSION

S. 367

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

FEBRUARY 7 (legislative day, JANUARY 30), 1995

Mr. DORGAN 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:

For taxable years beginning	The applicable percentage is:
in:	
1994 and 1995	25
1996 and 1997	50
1998 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.

