

108TH CONGRESS
2D SESSION

H. R. 5074

To amend the Internal Revenue Code of 1986 to provide a 100 percent deduction for the health insurance costs of individuals.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2004

Mr. CHABOT introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a 100 percent deduction for the health insurance costs of 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. SHORT TITLE.**

4 This Act may be cited as the “Health Insurance Af-
5 fordability Act of 2004”.

6 **SEC. 2. DEDUCTION FOR QUALIFIED HEALTH INSURANCE**
7 **COSTS OF INDIVIDUALS.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 (relating to
10 additional itemized deductions) is amended by redesi-

1 nating section 224 as section 225 and by inserting after
2 section 223 the following new section:

3 **“SEC. 224. COSTS OF QUALIFIED HEALTH INSURANCE.**

4 “(a) IN GENERAL.—In the case of an individual,
5 there shall be allowed as a deduction an amount equal to
6 the amount paid during the taxable year for coverage for
7 the taxpayer, his spouse, and dependents under qualified
8 health insurance.

9 “(b) QUALIFIED HEALTH INSURANCE.—For pur-
10 poses of this section, the term ‘qualified health insurance’
11 means insurance which constitutes medical care; except
12 that such term shall not include any insurance if substan-
13 tially all of its coverage is of excepted benefits described
14 in section 9832(e).

15 “(c) SPECIAL RULES.—

16 “(1) COORDINATION WITH MEDICAL DEDUC-
17 TION, ETC.—Any amount paid by a taxpayer for in-
18 surance to which subsection (a) applies shall not be
19 taken into account in computing the amount allow-
20 able to the taxpayer as a deduction under section
21 162(l) or 213(a).

22 “(2) DEDUCTION NOT ALLOWED FOR SELF-EM-
23 PLOYMENT TAX PURPOSES.—The deduction allow-
24 able by reason of this section shall not be taken into
25 account in determining an individual’s net earnings

1 from self-employment (within the meaning of section
2 1402(a)) for purposes of chapter 2.”.

3 (b) DEDUCTION ALLOWED IN COMPUTING AD-
4 JUSTED GROSS INCOME.—Subsection (a) of section 62 of
5 such Code is amended by inserting after paragraph (19)
6 the following new paragraph:

7 “(20) COSTS OF QUALIFIED HEALTH INSUR-
8 ANCE.—The deduction allowed by section 224.”.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for part VII of subchapter B of chapter 1 of such Code
11 is amended by striking the last item and inserting the fol-
12 lowing new items:

“Sec. 224. Costs of qualified health insurance.
“Sec. 225. Cross reference.”

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2004.

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