

**United States Senate**  
WASHINGTON, DC 20510

January 22, 2001

**LET'S FINISH THE JOB ONCE AND FOR ALL — FULL DEDUCTIBILITY OF  
HEALTH INSURANCE FOR THE SELF-EMPLOYED IN 2001**

Dear Colleague:

In recent years, we have made significant progress in moving the date for 100% deductibility of health insurance for the self-employed up to 2003. Still, the self-employed and their families should not have to wait any longer for equal treatment. This is especially true when there are nearly five million individuals in families headed by a self-employed person who have no health insurance at all, according to estimates from the Employee Benefits Research Institute. And those families include more than a million children who lack adequate health insurance coverage.

As we start the 107th Congress, we are introducing legislation to finish this top priority for small businesses across the country. As a matter of tax equity, the self-employed have been at a disadvantage for too long. Compared with their corporate competitors, which can fully deduct the cost of health insurance for their employees, the self-employed can deduct only 60% of their costs this year. To level the playing field, we are introducing legislation once again to increase the self-employed health-insurance deduction to 100% beginning this year.

Full deductibility of health insurance for the self-employed has long been our goal, and we are committed to making this year the one in which that goal is finally achieved. Please join us in continuing the bipartisan support for this legislation to bring fair and equal treatment to the millions of self-employed individuals who contribute so greatly to our communities and our nation.

If you would like to be a co-sponsor, or if you have any questions, please call either of us or have your staff contact Mark Warren, Tax Counsel for the Committee on Small Business, at 4-5175 or Anne Marie Murphy with Senator Durbin at 4-2152.

Sincerely,



Christopher S. Bond  
United States Senator



Richard J. Durbin  
United States Senator