



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Charles McMillan
CIPS, GRI
President

Dale A. Stinton
CAE, CPA, CMA, RCE
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

March 18, 2009

The Honorable Wally Herger
242 Cannon House Office Building
Washington, DC 20515

Dear Representative Herger:

The 1.2 million members of the NATIONAL ASSOCIATION OF REALTORS® commend you, along with Representatives Kind, Reichert & Kosmas, for your bill H.R. 1470, the Equity for Our Nation's Self-Employed Act of 2009. We fully support your efforts and look forward to working with you to secure its earliest possible enactment.

Under current law, when an employer pays any portion of an employee's health insurance premium, the employee does not recognize any income. As the payment is not treated as income, neither the employer nor the employee pays any payroll tax on the employer's payment. The self-employed person does not receive that treatment. While the self-employed person is permitted to deduct their health insurance premium payments in computing taxable income, the self-employed person is nonetheless required to make payroll tax payments on the premium amount. This is an inequitable result.

Your bill would eliminate this fundamental unfairness so that the self-employed will not include health insurance premiums in their self-employment tax base. This will put employers, employees and the self-employed on the same footing in computing their Self-Employment Contributions taxes.

Self-employed individuals are already at a disadvantage in obtaining health insurance premiums. They must pay burdensome premiums in the individual insurance market and, unlike large employers, are unable to negotiate favorable terms. Often they will pay a substantially higher premium for less coverage than those who participate in group plans. Your bill will eliminate any additional tax burdens associated with health insurance.

We fully support this legislation and look forward to working with you.

Sincerely,

Charles McMillan, CIPS, GRI
2009 President, National Association of REALTORS®