



March 27, 2009

The Honorable Jeff Bingaman
United States Senate
713 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Orrin Hatch
United States Senate
104 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Bingaman and Senator Hatch:

On behalf of the National Small Business Association, I would like to thank you for your leadership in crafting the *Equity for Our Nation's Self-Employed Act of 2009 (S. 725)*. As the nation's oldest nonpartisan small business advocacy group, NSBA reaches more than 150,000 small businesses nation-wide, and our members continue to highlight tax equity as a top priority.

Self-employed business owners have long been plagued with the disparity in the treatment of deductibility of health insurance costs. If enacted, your proposal would allow the self-employed to fully deduct their health insurance premiums for the purposes of their income tax and self-employment tax (FICA tax). Allowing self-employed to achieve parity with corporations that are currently allowed to deduct their coverage costs as an ordinary business expense would have broad implications—more than 22 million entrepreneurs would have greater access to affordable health insurance under this legislation.

Passage of *S. 725* will place self-employed business owners on level ground with their larger competitors and remove a major disincentive to becoming an entrepreneur. The legislation would also immediately bring substantial relief to small business owners who need it the most.

NSBA supports *S. 725* as it will have a positive impact on the business community and is a common sense way to bring the cost of health care within the reach of many uninsured individuals. We applaud you for your initiative and look forward to working with you to bring this legislation to the Senate floor for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken", with a stylized flourish at the end.

Todd McCracken
President