



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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April 1, 2009

The Honorable Jeff Bingaman  
703 Hart House Office Building  
Washington, DC 20510

Dear Senator Bingaman:

The 1.2 million members of the NATIONAL ASSOCIATION OF REALTORS® thank you and Senator Hatch for introducing S. 725, 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 same 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 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 expenses.

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

Charles McMillan, CIPS, GRI  
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