June 20, 2013

The Honorable David Vitter
United States Senate
516 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Vitter,

On behalf of the 23 million self-employed Americans, the American Independent Business Coalition, Southern Consumers Alliance, and the National Association for the Self-Employed (NASE), would like to offer our full support of S.1827, Small Business Tax Compliance Relief Act.

This legislation would have a meaningful impact on not just the 23 million self-employed, but the entire small business community. Of the 17 provisions included in the bill, we are pleased to see the full deductible of health insurance for the self-employed included. The inability for the self-employed to deduct the cost of their health insurance is a significant financial burden, increases their tax liability by nearly 15.3% annually than other business owners. The bill clearly signals the intent of the Senate Small Business and Entrepreneurship Committee to ensure the viability of America’s smallest businesses and will allow these businesses to grow and thrive.

In June 2012 the NASE released its national health care survey, in which 85% of respondents indicated that rising health coverage costs have been detrimental to themselves, their families, their businesses, and their "bottom line" over the past three years. Juxtapose this against the fact that in 2011, the number of insured self-employed was at its highest, 77%. And yet, the self-employed pay on average nearly $1,800 in additional taxes that no other business owners face because they simply decided to purchase health insurance. If the self-employed were allowed to fully deduct their health insurance costs as a business expense, the U.S. economy would have roughly $39 billion injected annually that would allow for individuals to re-invest in their business, purchase goods, and hire additional employees.

We applaud your leadership on these important small business issues and very much look forward to supporting your efforts in securing enactment of this legislation.

Sincerely,

Katie Vlietstra
Vice President of Government Relations & Public Affairs
National Association for the Self-Employed