

1 **RESOLUTION URGING CONGRESSIONAL**
2 **ACTION ON THE TAX DEDUCTIBILITY OF**
3 **MEDICAL EXPENSES BY INDIVIDUALS**

4 2006 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Eric K. Hutchings**

7 Senate Sponsor: Sheldon L. Killpack

8 Cosponsor: Curtis Oda

9
10 **LONG TITLE**

11 **General Description:**

12 This joint resolution of the Legislature urges Congress to adopt the Health Care
13 Freedom of Choice Act, H.R. 66, 109th Cong. (2005) related to the tax deductibility of
14 medical expenses by individuals.

15 **Highlighted Provisions:**

16 This resolution:

- 17 ▶ urges Congress to adopt the Health Care Freedom of Choice Act, H.R. 66, 109th
18 Cong. (2005), which provides a deduction for uncompensated medical care of a
19 taxpayer, a taxpayer's spouse, or a taxpayer's dependents; and
20 ▶ provides for the distribution of the resolution.

21 **Special Clauses:**

22 None

24 *Be it resolved by the Legislature of the state of Utah:*

25 WHEREAS, access to quality health care is a basic need of individuals and families
26 within the state;



27 WHEREAS, employer sponsored health insurance is the most common means of
28 insuring nonelderly Americans;

29 WHEREAS, the growth in the cost of health care has made it increasingly difficult for
30 employers, especially small employers, to provide affordable health care coverage to their
31 employees;

32 WHEREAS, there is consequently a need to foster insurance coverage other than
33 employer sponsored health insurance;

34 WHEREAS, current federal law provides a tax benefit for health insurance provided as
35 an employee fringe benefit, but generally offers no similar tax benefit for health insurance
36 purchased by individuals;

37 WHEREAS, current federal law provides a tax benefit on third-party payment of
38 medical expenses, but generally offers no similar tax benefit for most individuals' direct
39 payment of medical expenses;

40 WHEREAS, this tax structure has negative implications such as: curtailing competition
41 for health insurance and health care services generally resulting in higher costs; increasing
42 large group health care delivery systems resulting in decisions being made by large health care
43 bureaucracies and the eroding of the doctor-patient relationship; restricting individuals'
44 freedom to exercise direct control over their health care costs; and discriminating against
45 individuals who work for employers that do not provide health benefits, who are unemployed,
46 or who are disabled;

47 WHEREAS, access to health care, choice in health care decisions, and affordability of
48 health care may improve if Congress places the medical choices made by individuals on equal
49 footing with those made by employers and third parties; and

50 WHEREAS, Congress is considering adoption of the Health Care Freedom of Choice
51 Act through the passage of H.R. 66, 109th Cong. (2005) which would provide for the tax
52 deductibility of expenses for medical care of the taxpayer, the taxpayer's spouse, or a dependent
53 of the taxpayer, which the taxpayer pays but for which the taxpayer is not compensated:

54 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah
55 urges Congress to pass H.R. 66, 109th Congress, First Session, which provides tax benefits to
56 individual health care choices.

57 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Majority

12-21-05 1:42 PM

H.J.R. 2

58 Leader of the United States Senate, the Speaker of the United States House of Representatives,
59 and the members of Utah's congressional delegation.

Legislative Review Note
as of 11-9-05 6:12 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Interim Committee Note
as of 12-21-05 1:42 PM

The Business and Labor Interim Committee recommended this bill.