

**NLWJC - Kagan**

**DPC - Box 053 - Folder-015**

**Tobacco-Settlement: Tax Cuts -  
Health Care**

Tib - nr - tax cuts -  
health care

**JOSHUA  
GOTBAUM**  
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Subject: Possible Tax Items in Tobacco

Karl Scholz will send you a note on this. There are two provisions in which Roth has expressed interest:

1. Acceleration of the phase-in of 100% deductibility for the self-employed. This is consistent with Administration policy and would cost about \$5.5b over 5 years, perhaps \$7b over 10 years.
2. Allowing deductibility for employee-purchased individual health insurance. This is both a more expensive and more pernicious proposal: It would be regressive and might well encourage employers to drop health insurance coverage as a benefit. About \$12b over 5 years.

Message Sent To:

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