
By: Delegates Mossburg, Pitkin, and Redmer

Requested: July 24, 1996

Introduced and read first time: January 8, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Insurance Reform Act - Application to Self-Employed Individuals**

3 FOR the purpose of altering the definition of self-employment for the Maryland Health
4 Insurance Reform Act to include individuals whose income is derived from
5 self-employment in accordance with certain definitions contained in the Internal
6 Revenue Code and who file appropriate forms or schedules.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 15-1203(c)
10 Annotated Code of Maryland
11 (1995 Volume and 1996 Supplement)
12 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of
13 1997)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Insurance**

17 15-1203.

18 (c) An individual is considered a small employer under this subtitle if the
19 individual is a self-employed individual or sole proprietorship:

20 (1) a substantial part of whose income [derives from a trade or business
21 through which the individual has attempted to earn taxable income] CONSISTS OF
22 SELF-EMPLOYMENT INCOME AS DEFINED UNDER § 1402(B) OF THE INTERNAL
23 REVENUE CODE OR WAGES FROM AN S CORPORATION TREATED AS EARNED
24 INCOME UNDER § 162(L)(5) OF THE INTERNAL REVENUE CODE;

25 (2) who has filed the appropriate Internal Revenue [Form 1040, Schedule
26 C or F,] FORM for the previous taxable year; and

27 (3) for whom a copy of the Internal Revenue form has been filed with the
28 carrier as proof of employment.

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1997.