
By: Senator Teitelbaum

Introduced and read first time: January 17, 1997

Assigned to: Finance

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; and making the Health
7 Insurance Reform Act applicable to individuals whose income is derived from
8 certain real property business.

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

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

18 **Article - Insurance**

19 15-1203.

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

22 (1) a substantial part of whose income [derives from a trade or business
23 through which the individual has attempted to earn taxable income];

24 (I) CONSISTS OF SELF-EMPLOYMENT INCOME AS DEFINED UNDER
25 § 1402(B) OF THE INTERNAL REVENUE CODE OR WAGES FROM AN S CORPORATION
26 TREATED AS EARNED INCOME UNDER § 162(L)(5) OF THE INTERNAL REVENUE CODE;
27 OR

28 (II) IS DERIVED FROM REAL PROPERTY TRADES OR BUSINESSES
29 AS DEFINED IN § 469(C)(7)(C) OF THE INTERNAL REVENUE CODE;

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

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

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