



Small employer?

Get the credit you deserve.

The Credit Can Make a Difference...

The small business health care tax credit is for small businesses and tax-exempt organizations. The credit may equal up to 35 percent of the qualified premiums paid by eligible small businesses and up to 25 percent paid by eligible small tax-exempt organizations for 2010 through 2013. For some small businesses and tax-exempt organizations, an enhanced version of the credit will be effective beginning January 1, 2014.

Small businesses who do not have a tax liability during the year can carry the credit back or forward to other tax years. Also, since the health insurance premium payments are more than the total credit, eligible small businesses may still claim a business expense deduction for the difference. And for small tax-exempt organizations, the credit is refundable.

Small Business Health Care Tax Credit

Who is eligible for the credit? Employers that...

- pay at least half the cost of qualified “single” (employee-only) health insurance coverage for their employees,
- have fewer than 25 full-time-equivalent employees. For example, two half-time workers count as one full-time-equivalent employee, and
- pay wages averaging less than \$50,000 per full-time-equivalent employee per year.

How to claim the credit

Small businesses and tax-exempt organizations use Form 8941, *Credit for Small Employer Health Insurance Premiums*, to calculate the credit.

Small Businesses include the amount as part of the general business credit on their income tax return.

Tax-exempt organizations include the amount on line 44f of the Form 990-T, *Exempt Organization Business Income Tax Return*.

Find out more about how the credit can *make a difference* at www.IRS.gov