

# **Small Business Health Care Tax Credit**

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# Eligibility Rules

- **Providing health care coverage**
- **Firm size**
- **Average annual wage**
- **Both taxable (for profit) and tax-exempt firms qualify**

# Amount of Credit

- **Maximum Amount**
- **Phase-out**

# 4 Million Postcards

- May be able to claim the Small Business Health Care Tax Credit
- Find out if you are eligible

### 3 SIMPLE STEPS

If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the **Small Business Health Care Tax Credit** by following these three simple steps:

<b>1</b> <b>Determine the total number of your employees (not counting owners or family members):</b>  Full-time employees: _____ (enter the number of employees who work at least 40 hours per week)  +  Full-time equivalent of part-time employees: _____ (Calculate the number of full-time equivalents by dividing the total annual hours of part-time employees by 2080.)  = <input type="text"/> total employees  If the total number of employees is fewer than 25 <b>GO TO STEP 2</b>	<b>2</b> <b>Calculate the average annual wages of employees (not counting owners or family members):</b>  Take the total annual wages paid to employees: _____  ÷  Divide it by the number of employees from STEP 1: _____ (total wages ÷ number of employees)  = <input type="text"/> average wages  If the result is less than \$50,000, <b>AND</b>
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**3** You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then

» you may be able to claim the **Small Business Health Care Tax Credit**.  
Find out more information at **IRS.gov**

