

# Small Business Health Care Tax Credit



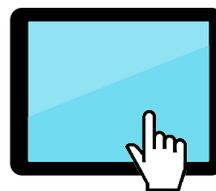
The Affordable Care Act of 2010 provides a tax credit to small employers to encourage them to offer and pay for employee health insurance.

## Is my small business eligible for the Small Business Health Care Tax Credit?

Your small business may be eligible if you:

- ✓ Employ fewer than 25 full-time equivalent (FTE) employees for the tax year,
- ✓ Pay average wages of less than \$50,000 a year per FTE, and
- ✓ Pay at least half of employee health insurance premiums under a qualifying arrangement.

### Small Business Health Care Tax Credit Estimator



Determine your eligibility and estimate the amount of your credit online.

[www.TaxpayerAdvocate.irs.gov/estimator/sb/](http://www.TaxpayerAdvocate.irs.gov/estimator/sb/)

## How will the credit affect your small business?

**For tax years  
2010 to 2013**

The maximum credit is:

**35%** of premiums paid for small business employers

**25%** of premiums paid for small tax-exempt employers

**For tax years  
2014 or later**

The maximum credit is:

**50%** of premiums paid for small business employers

**35%** of premiums paid for small tax-exempt employers

- A small business must purchase health care through the Small Business Health Options Program (SHOP) Marketplace.
- The credit will be available to eligible employers for only two consecutive tax years.

**Other  
information**

- If you are a small business employer who didn't owe tax during this year, you can carry the credit back to a previous tax year, then forward to future tax years.
- For small tax-exempt employers, the credit is refundable, and
- If you forgot to claim it on your tax return, you can file an amended return.

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS, and our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights. **TAS is your voice at the IRS.**

[www.TaxpayerAdvocate.irs.gov](http://www.TaxpayerAdvocate.irs.gov)