

## Four Million Small Businesses Could Qualify for a New Tax Credit *Is your business one of them?*

### **The Small Business Health Care Tax Credit Starts in 2010**

The Affordable Care Act, the new federal health care reform law, provides tax credits to help cover the cost of health insurance. Small businesses will be one of the first groups to benefit.

**This year, the law's new small business tax break will offer small employers who pay at least half of the health insurance premium for employees a tax credit equal to up to 35 percent of the cost of coverage.**

Here are the facts:

- **Millions of businesses qualify.** The tax credit is generally for small businesses with less than 25 full-time equivalent employees who earn below a certain average wage level.
- **Available Immediately.** Enacted as part of the Affordable Care Act, the credit was effective January 1, 2010. As a result, small businesses currently providing health care for their workers receive immediate help with their premium costs.
- **Big Savings.** The credit is worth up to 35 percent of a small business's premium costs in 2010 and in 2011 through 2013. In 2014, this rate increases to 50 percent.
- **Dental and Vision Coverage Qualify.** Small businesses can receive the credit not only for traditional health insurance coverage but also for add-on dental, vision and other limited-scope coverage.
- **Non-Profits Are Eligible.** Tax-exempt organizations are eligible for a 25 percent tax credit in 2010 and in 2011 through 2013. In 2014, this rate increases to 35 percent.

**Visit [www.IRS.gov](http://www.IRS.gov) (click on: "Affordable Care Act Tax Provisions") and download the 1-page form. Or consult your business accountant or tax advisor.**



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