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Internal Revenue Service is reminding small employers who offer health insurance to their employees to check out the small business health care tax credit and then claim it if they qualify.

Mar. 10, 2014

For owners of most small businesses who file a Schedule C with their 1040 individual or joint income tax return, the deadline is coming up soon. The [Internal Revenue Service](#) is reminding small employers who offer health insurance to their employees that they may qualify for the small business health care tax credit by visiting the IRS website.

The [Small Business Health Care Tax Credit](#) page on IRS.gov offers a variety of information and resources designed to help small employers determine if they qualify for the credit and, if so, how to calculate it correctly. The site includes a 2013 tax credit [estimator](#), examples of tax savings for a variety of scenarios and frequently asked questions.

Taxpayers and business owners are also encouraged to seek out the advice of a credentialed income tax specialist, such as a CPA or Enrolled Agent.

The IRS also has a page devoted to [Health Care Tax Tips](#), providing information to employers, families and individuals. These tips include a new Small Business Health Care Tax Credit tip as well as tips covering other Affordable Care Act topics.

The small business health care tax credit was included in the Affordable Care Act enacted in 2010. Under the ACA, eligible small employers can claim the credit for 2010 through 2013 and for two additional years beginning in 2014. For 2010 through 2013, the maximum credit is 35 percent of premiums paid by eligible small businesses and 25 percent of premiums paid by eligible tax-exempt organizations. In 2014, the

maximum credit rate rises to 50 percent for small businesses and 35 percent for tax-

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- March 17:
- April 15:
- May 15:

Taxpayers needing more time to determine eligibility should consider obtaining an automatic tax-filing extension, usually for six months. See [Form 4868](#) for individuals, [Form 7004](#) for businesses and [Form 8868](#) for tax-exempt organizations.

Businesses that have already filed and later find that they qualified in 2013 or an earlier year can still claim the credit by filing an amended return for the affected years. Corporations use [Form 1120X](#), individuals use [Form 1040X](#) and tax-exempt organizations use Form 990-T. A three-year statute of limitations normally applies to these refund claims. See the instructions to these forms for details.

Some businesses and tax-exempt organizations that already locked into health insurance plan structures and contributions may not have had the opportunity to make any needed adjustments to qualify for the credit for 2013 or earlier years. These employers can still make changes so they qualify to claim the credit on future returns.

More information on the tax credit is available on the IRS website, or via accredited tax professionals such as Certified Public Accountants, Enrolled Agents or tax attorneys.

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