



SMALL BUSINESS HEALTH CARE TAX CREDIT

Who qualifies for the Small Business Health Care Tax Credit?

The Small Business Health Care Tax Credit is available for businesses that employ the equivalent of 25 or fewer full-time employees (excluding the owner) with average annual compensation below \$50,000 per employee if they offer coverage through the Small Business Health Options Program (SHOP) marketplace.

The maximum credit for a for-profit business is 50 percent of the employer's cost of health insurance, if the employer pays at least 50 percent of employee premium expenses. The maximum credit for a tax exempt not-for-profit business is 35 percent. The credit is claimed on the employer's annual income tax return