

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Encourages Small Employers to Check Out Small Business Health Care Tax Credit

IRS YouTube Video:

Small Business Health Care Tax Credit: [English](#) | [Spanish](#)

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WASHINGTON — With business tax-filing deadlines fast approaching, the Internal Revenue Service today encouraged small employers that provide health insurance coverage to their employees to check out the small business health care tax credit and then claim it if they qualify.

The recently-revamped [Small Business Health Care Tax Credit](#) page on IRS.gov is packed with information and resources designed to help small employers see if they qualify for the credit and then figure it correctly. These include a step-by-step guide for determining eligibility, examples of typical tax savings under various scenarios, answers to frequently-asked questions, a YouTube video and a webinar.

The small business health care tax credit was included in the Affordable Care Act enacted two years ago. Small employers that pay at least half of the premiums for employee health insurance coverage under a qualifying arrangement may be eligible for this credit. The credit is specifically targeted to help small businesses and tax-exempt organizations provide health insurance for their employees.

Depending upon how they are structured, eligible small employers are likely subject to one of the following three tax-filing deadlines, which fall in coming weeks:

- March 15: Corporations that file on a calendar year basis can figure the credit on [Form 8941](#) and claim it as part of the general business credit on [Form 3800](#), both of which are attached to their corporate income tax return.
- April 17: Individuals have until April 17 to complete and file their returns on [Form 1040](#). This includes Sole proprietors, as well as people who have business income reported to them on Schedules K-1—partners in partnerships, S corporation shareholders and beneficiaries of estates and trusts. They also attach Forms 8941 and 3800 to their return. The resulting credit is entered on Form 1040 Line 53.
- May 15: Tax-exempt organizations that file on a calendar year basis can use Form 8941 and then claim the credit on Form [990-T](#), Line 44f.

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](#) and its [instructions](#) for businesses and [Form 8868](#) for tax-exempt organizations.

Businesses that have already filed and later find that they qualified in 2010 or 2011 can still claim the credit by filing an amended return for one or both years. Corporations use Form [1120X](#), individuals use Form [1040X](#) and tax-exempt organizations use Form 990-T.

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 2010 or 2011. These employers can still make the necessary changes to their health insurance plans so they qualify to claim the credit on 2012 returns or in years beyond. Eligible small employers can claim the credit for 2010 through 2013 and for two additional years beginning in 2014.

Additional information about eligibility requirements and figuring the credit can be found on [IRS.gov](#).