If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the Small Business Health Care Tax Credit by following these three simple steps:

1. **Determine the total number of your employees (not counting owners or family members):**
   - Full-time employees: ____________
     - (enter the number of employees who work at least 40 hours per week)
   - +
   - Full-time equivalent of part-time employees: ____________
     - (Calculate the number of full-time equivalents by dividing the total annual hours of part-time employees by 2080.)
   - = total employees
   - If the total number of employees is fewer than 25 **GO TO STEP 2**

2. **Calculate the average annual wages of employees (not counting owners or family members):**
   - Take the total annual wages paid to employees: ____________
   - +
   - Divide it by the number of employees from STEP 1: ____________
     - (total wages ÷ number of employees)
   - = average wages
   - If the result is less than $50,000, **AND**

3. **You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then**

   you may be able to claim the **Small Business Health Care Tax Credit.**

   Find out more information at **IRS.gov**