

Small Business Health Care Tax Credit Scenarios

Examples of Employers Receiving the Credit

Example 1: Auto Repair Shop with 10 Employees Gets \$24,500 Credit for 2010

Main Street Mechanic:

- ***Employees:*** 10
- ***Wages:*** \$250,000 total, or \$25,000 per worker
- ***Employee Health Care Costs:*** \$70,000

2010 Tax Credit: \$24,500 (35% credit)

2014 Tax Credit: \$35,000 (50% credit)

Example 2: Restaurant with 40 Part-Time Employees Gets \$28,000 Credit for 2010

Downtown Diner:

- ***Employees:*** 40 half-time employees (the equivalent of 20 full-time workers)
- ***Wages:*** \$500,000 total, or \$25,000 per full-time equivalent worker
- ***Employee Health Care Costs:*** \$240,000

2010 Tax Credit: \$28,000 (35% credit with phase-out)

2014 Tax Credit: \$40,000 (50% credit with phase-out)

Example 3: Foster Care Non-Profit with 9 Employees Gets \$18,000 Credit for 2010

First Street Family Services.org:

- ***Employees:*** 9
- ***Wages:*** \$198,000 total, or \$22,000 per worker
- ***Employee Health Care Costs:*** \$72,000

2010 Tax Credit: \$18,000 (25% credit)

2014 Tax Credit: \$25,200 (35% credit)