

Tax Savings for Small Businesses

The Small Business Health Options Program (SHOP) Marketplace isn't just a simpler way for small employers like you to find and buy health coverage for your employees, but an affordable one as well.

Employers who participate in the SHOP Marketplace may qualify for the Small Business Health Care Tax Credit. The tax credit is worth up to 50% of your contribution toward employees' premium costs (up to 35% for tax-exempt employers).

To qualify for the tax credit, you must:

- Have employees enrolled in coverage through the SHOP Marketplace
- Have fewer than 25 full-time equivalent (FTE) employees
- Contribute at least 50% toward full-time employees' premium costs
- Pay an average employee salary of \$50,000 per year or less, adjusted yearly for inflation

Though you don't need to offer coverage to part-time employees (those working fewer than 30 hours per week) or dependents to qualify for the Small Business Health Care Tax Credit, you may include any contributions to part-time employees and dependent premiums in your tax credit calculation.

The smaller the business, the bigger the credit. The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less.

To see if your business may qualify for the tax credit and estimate how much it could be worth, use the [Small Business Health Care Tax Credit Estimator](https://www.healthcare.gov/shop-calculators-taxcredit) at [HealthCare.gov/shop-calculators-taxcredit](https://www.healthcare.gov/shop-calculators-taxcredit).

Visit [HealthCare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits](https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits) to learn more about the Small Business Health Care Tax Credit.