



CHUNOWITZ, TEITELBAUM & MANDEL, LTD.  
*Certified Public Accountants and Consultants*

# TAX TIPS

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## TAX FLASH

IF THE "SHOE FITS".....YOUR SMALL BUSINESS MAY BE ELIGIBLE FOR THE NEW SMALL BUSINESS HEALTH CARE CREDIT.

THE MAXIMUM CREDIT FOR 2011 IS 35% OF PREMIUMS PAID (25% FOR ELIGIBLE TAX-EXEMPT ORGANIZATIONS) - FOR SMALL BUSINESSES WITH 10 OR FEWER FULL TIME EQUIVALENT EMPLOYEES AND AVERAGE ANNUAL WAGES OF \$25,000 OR LESS.

THE AMOUNT OF PREMIUMS ELIGIBLE FOR THE CREDIT ARE LIMITED TO THE LESSER OF THE PERCENTAGE OF ACTUAL PREMIUMS PAID BY THE EMPLOYER - OR - THAT SAME PERCENTAGE OF PREMIUMS THAT WOULD HAVE BEEN PAID IF THE AVERAGE PREMIUM IN YOUR STATE WERE USED INSTEAD.

THE CREDIT PHASES OUT GRADUALLY FOR FIRMS WITH BETWEEN 11 AND 24 FULL TIME EQUIVALENT EMPLOYEES AND AVERAGE ANNUAL WAGES OF BETWEEN \$25,001 AND \$49,999.

TO SEE IF YOU QUALIFY – FILL OUT THE ATTACHED FORM AND RETURN TO CTM BY EMAIL ([CPA@CTM-CPA.COM](mailto:CPA@CTM-CPA.COM)) OR FAX (847-444-0290).

# ARE YOU ELIGIBLE FOR THE SMALL BUSINESS HEALTH CARE CREDIT?

BUSINESS NAME \_\_\_\_\_

YOUR NAME \_\_\_\_\_

1. Do you pay at least 50% of the health insurance premiums at the "single"/employee only rate? YES \_\_\_\_\_ NO \_\_\_\_\_  
IF YES – CONTINUE
2. How many total employees do you have, not counting owners or family members?  
(From Step 1 below) \_\_\_\_\_  
IF LESS THAN 25 – CONTINUE
3. What is the total average annual wages? (From Step 2 below) \$ \_\_\_\_\_  
IF UNDER \$50,000 –
4. Enter total premiums paid for 2011 \$ \_\_\_\_\_

**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: \_\_\_\_\_

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Divide it by the number of employees from STEP 1: \_\_\_\_\_  
(total wages ÷ number of employees)

=  average wages