



Small Business Tax Credit Accessibility Act

Congresswoman DelBene supports the new protections and support for small businesses provided by the *Affordable Care Act*, including a Small Business Health Care Tax Credit to help employers afford the cost of covering their workers. To make sure small businesses can compete and grow, Congresswoman DelBene believes this tax credit should be available for a longer period of time and accessible to more employers. That's why she supports expanding and simplifying this portion of the law so more businesses can qualify for tax credits. She also wants to make sure tax credits are available in 2014 outside the small business exchange, since it is not yet fully functional in most states.

The *Small Business Tax Credit Accessibility Act* improves access to Small Business Health Care Tax Credit and supports more businesses by:

- ❖ Raising the maximum size of the business that is eligible to receive the tax credits from 25 employees to 50 employees;
- ❖ Extending the credit to firms with higher average wages and tying the calculation to the federal poverty line. Instead of phasing out between \$25,000 and \$50,000, it would instead phase out between 110 percent and 220 percent of the federal poverty line for a family of four;
- ❖ Increasing the threshold for a firm to receive the biggest possible credit from 10 to 20 full-time employees;
- ❖ Eliminating the requirement that employers claiming the credit contribute the same percentage of the cost of each employee's health insurance;
- ❖ Simplifying calculations by eliminating the cap that limits eligible employer contributions to average premiums in the state;
- ❖ Allowing some family members of small business owners to directly benefit from the tax credit;
- ❖ Increasing the number of years for which a small business may receive the tax credit to any 3 consecutive years; and
- ❖ Extending a 35% tax credit to small businesses purchasing coverage outside the SHOP exchange in 2014, while maintaining the tax credit of 50% for coverage purchased on the SHOP exchange.