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FINANCIAL FOCUS



Lane Gorman Trubitt, PLLC
Accountants & Advisors

Your Accounting for a New Economy

Health Care Tax Credit Available for NFP Organizations

The Internal Revenue Service (IRS) recently revealed that tax exempt organizations as described in Section 501(c) of the Tax Code that are exempt from tax under Section 501(a) can claim the Small Business Health Care Tax Credit designed to encourage smaller employers to offer health care coverage by showing the calculation of the claimed credit on Form 8941 and attaching it with Form 990-T.

The credit is significant and can be worth up to 25% of a tax-exempt organization's 2010 premium costs. That percentage jumps to 35% after January 1, 2014.

To qualify for the credit Not-for-Profit (NFP) Organizations Must:

- Cover at least 50% of the cost of health care coverage for some of its workers based on the single rate size
- Have less than the equivalent of 25 full-time workers (for example non-profit organizations with less than 50 half-time workers may still qualify)
- Pay average annual wages less than \$50,000

The amount of the credit decreases gradually for organizations with average wages between \$25,000 and \$50,000 and for organizations with the equivalent of 10 – 25 full-time employees.

To find out if your organization would qualify for the tax credit and the amount contact your trusted Lane Gorman Trubitt, PLLC advisor or David Ovesen, the partner in charge of LGT's Not-for-Profit Group at (214) 461-1443 or by email at dovesen@lgt-cpa.com or Neely Duncan, LGT's Not-for-Profit Senior Audit Manager at (214) 461-1437 or by email at nduncan@lgt-cpa.com.