



DAVE JONES
Insurance Commissioner

October 17, 2011

Dear Agents and Brokers:

I am writing to you today to ask for your help in getting the word out to your clients who may be small business owners to remind them that it is not too late to claim the Affordable Care Act's **Small Business Health Care Tax Credit**, and also to remind those of you who are small business owners of the availability of this tax credit for your own business. The filing deadline for many small businesses has already passed, but qualifying employers that provided insurance in 2010 can still claim this significant assistance on 2010 tax returns:

- Small businesses that have yet to file – for example because they took advantage of the automatic extension – can claim the credit on their 1040 series returns by today, **Monday, October 17**.
- Small businesses that have already filed and want to claim the credit can amend their returns using [Form 1120X](#) for corporations or [Form 1040X](#) for others, including individual sole proprietors.
- Eligible tax-exempt organizations can claim the credit on [Form 990-T](#).
- Small businesses without taxable income to offset should remember that the credit is part of the general business credit for Tax Year 2010, meaning they may be eligible to carry back the credit for five years or forward for 20 years.

The credit is worth up to 35% of the health insurance premium costs a small business incurred for insuring its employees in 2010. Eligible small businesses that do not yet provide insurance can start doing so to claim the credit for 2011 forward.

The credit remains available for several years, so small employers should check each year to see if they are eligible.

More information is available on the IRS website at:

<http://www.irs.gov/newsroom/article/0,,id=223666,00.html>. Additionally, here are some important links:

- [Small Business Health Care Tax Credit Brochure](#)
- [Fact Sheet: Administration Releases New Information on Affordable Care Act's Small Business Health Care Tax Credit](#)

Thank you for helping to make sure that small businesses in California receive this important assistance.

Sincerely,

A handwritten signature in black ink that reads "Dave Jones". The signature is written in a cursive, flowing style.

DAVE JONES
Insurance Commissioner