

Credits are Retroactive to the Beginning of This Year

April 20, 2010

Washington, D.C. -- Rep. Peter DeFazio (D-OR) today announced that Oregon companies eligible for new health reform tax credits will soon be getting a postcard explaining the credits and encouraging them to take advantage of the tax cut.

“It is important that small businesses in Oregon, many of whom are struggling in a stagnant economy, be aware of the potential tax benefits of the health insurance reform package. I have heard from countless small business owners who have been struggling for years to provide health insurance for their employees but, due to the ever increasing cost of insurance can no longer afford to cover their employees or have had to cut back on benefits. This tax credit will provide them with some much needed relief,” DeFazio said.

The tax credit is available to small businesses with 25 or fewer employees and an average wage of \$50,000 or less that provide health insurance for their employees. Companies with 10 or fewer employees and an average wage of \$25,000 or less get the maximum credit—35% of what the employer is paying for employee insurance coverage. The maximum credit rises to 50% in 2014.

The tax credit is also available to small non-profits. For non-profits, the tax credit is worth up to 25% of what the employer is paying for employee insurance coverage. The maximum credit for non-profits rises to 35% in 2014.

The tax credits are available now and will be retroactive to the beginning of this tax year. Beginning this week, the IRS is mailing more than 4 million postcards to small businesses around the country to help ensure that they realize they may qualify for the credit immediately.

The IRS provides answers to Frequently Asked Questions on the tax credits at their website: [ht](#)

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