

Small Business Tax Credits – Unmined Nuggets

With tax season in full bloom small business owners have an opportunity to not only reduce their tax liability, but also help their employees receive a coveted benefit – health insurance.

Through [Covered California for Small Business \(CCSB\)](#), employers may qualify for a federal tax credit to help offset the cost of providing health insurance to employees by purchasing coverage.

“Tax credits are unmined nuggets for small business owners under the Patient Protection and Affordable Care Act,” said Kirk Whelan, director of Covered California’s Individual and Small Business Sales Division. “For those who qualify, every dollar an employer contributes to premiums up to 50 percent of annual cost has the potential of coming back to them through reduced taxes.”

“That’s money you don’t want to leave on the table,” Whelan said.

In 2016, businesses with up to 100 employees can apply for health insurance coverage for their workers through Covered California.. That is an increase from 2015, when only businesses with fewer than 50 workers could apply for coverage through the Covered California exchange.

Employers with 25 or fewer full-time equivalent employees, who cover half the cost of their monthly premiums and other factors [may qualify for federal tax credits](#), but only if they enroll through Covered California for Small Business.



Whelan said sole proprietors who enroll in the individual market through Covered California may be eligible for a subsidy.

According to Covered California, small businesses can get affordable, top quality, brand-named health insurance from six health and seven dental carriers. There are four tiers of plans – Bronze, Silver, Gold and Platinum - with dozens of plan options.

Expanded coverage includes Covered California's new Dual Tier Choice program that allows employees to choose between health plans offered in different tiers as long as the tiers are adjoining. For example, employees may choose between plans offered in Bronze and Silver tiers.

Some 14,000 [Certified Insurance Agents](#) are on hand to help businesses with their health insurance options. About 85 percent of employers work with an agent to make the right decision for their business.

Additionally, Covered California has partnered with the California Tax Education Council to promote consumer awareness of the importance of using a licensed or registered tax preparer. The California Tax Education Council was created in 1997 by the California State Legislature to help protect taxpayers against fraudulent and incompetent tax preparers. Their online [resource guide](#) will help individuals report fraud and find licensed or registered tax [preparers](#).



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For more information about [enrolling](#) for coverage through Covered California for Small Business, call (844) 269-3761. To learn more, you can watch this video in [English](#) or [Spanish](#)