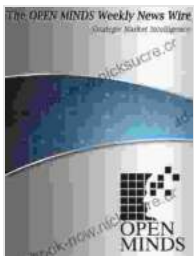


# Sequestration Cuts Small Business Health Care Tax Credit Refunds

## The Impact of Sequestration on Small Business Health Care Tax Credits

Sequestration, the across-the-board spending cuts that went into effect in March 2013, has had a significant impact on small businesses. One of the areas that has been particularly hard hit is the health care tax credit.

The health care tax credit, which was created by the Affordable Care Act, provides small businesses with a tax break for providing health insurance to their employees. The credit is available to businesses with fewer than 25 full-time employees and average annual wages of less than \$50,000.



## Sequestration Cuts Small Business Health Care Tax Credit Refunds By 8.7% (OPEN MINDS Weekly News Wire Book 2024) by Cassandra Gaisford

★★★★☆ 4.2 out of 5

Language : English  
File size : 194 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Print length : 3 pages  
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The credit is worth up to 35% of the cost of health insurance premiums, and it can be used to offset the cost of premiums for both employees and their dependents. However, due to sequestration, the credit has been reduced by 2%, which means that businesses are now getting less money back from the government.

This reduction in the health care tax credit is a significant blow to small businesses. For many businesses, the credit is the only way they can afford to provide health insurance to their employees. Without the credit, many businesses will be forced to drop their health insurance plans, which will leave their employees without coverage.

The reduction in the health care tax credit is also a blow to the economy. Small businesses are the backbone of the economy, and they create jobs and drive economic growth. However, when small businesses are struggling to afford health insurance, they are less likely to hire new employees and invest in their businesses.

The reduction in the health care tax credit is a short-sighted policy that will hurt small businesses, the economy, and the health of Americans. Congress should take action to restore the full funding of the health care tax credit and ensure that small businesses have access to affordable health insurance.

### **What Small Businesses Need to Know About the Sequestration Cuts**

If you are a small business owner, it is important to be aware of the impact that sequestration is having on the health care tax credit. Here are a few things you need to know:

\* The health care tax credit has been reduced by 2% due to sequestration.  
\* This means that you will get less money back from the government for the cost of health insurance premiums. \* The reduction in the credit is significant, and it could make it more difficult for you to afford health insurance for your employees. \* If you are considering dropping your health insurance plan, there are a few things you should keep in mind: \* You may be able to find a more affordable plan through the Health Insurance Marketplace. \* You may be eligible for a premium tax credit to help you pay for health insurance. \* If you drop your health insurance plan, your employees may be eligible for Medicaid or CHIP.

## **How to Apply for the Health Care Tax Credit**

If you are a small business owner, you can apply for the health care tax credit by completing Form 8941, Credit for Small Employer Health Insurance Premiums. You can download the form from the IRS website.

To be eligible for the credit, you must meet the following requirements:

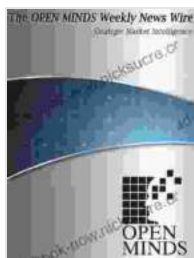
\* You must have fewer than 25 full-time employees. \* Your average annual wages must be less than \$50,000. \* You must provide health insurance to your employees.

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