Rev 08 10



2010 Health Insurance for Uninsured Montanans Credit

15-30-2367 and 15-31-132, MCA

Nam	e (as it appears on your tax retu	rn)						
Your	Social Security Number or Fede	eral Employe	r Identificatio	on Number				
partn	s credit is passed through to you ership, enter the percentage us poration, enter the pro rata sha	ed to report t	he partnersh					
Nam	e	FEIN			Percentage %			
NameFEINPercentage Part I. Qualifications								
To q	ualify for this credit you must answeit.	er "Yes" to eac	h of the four s	tatements be	low. A "No" an	swer means	you are not el	igible for this
For	the period that I am claiming the cre	edit:						
1. I have been in business in Montana for at least 12 months							No	
2. I employ 20 or fewer employees who work at least 20 hours per week							No	
3. I pay at least 50% of each Montana employee's insurance premium								
4. It has been 36 months or less since I first claimed this credit								
Part II. Credit Computation								
	This tax credit is limited to a maximum of 10 employees.	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Employee	Enter the employee's monthly premium amount.	Enter the percentage of premiums paid by you as an employer.	This is your maximum monthly credit.	Multiply the amount in Column B by the amount in Column C and enter the result.	Enter the number of months each employee is insured.		Multiply the amount in Column D by the amount in Column E and enter the result.
1.			%	\$25				
2.			%	\$25				
3.			%	\$25				
4.			%	\$25				
5.			%	\$25				
6.			%	\$25				
7.			%	\$25				
8.			%	\$25				
9.			%	\$25				
10.			%	\$25				
1. Multiply the total of Column F by 50% (0.50) and enter the result								
	r the amount from line 3 above on	-						
	Form 2, Schedule V	Form CLT-4S, Schedule II						
	Form CLT 4 Schodulo C	Form DP-1 Schedule II						



Form HI General Instructions

Please Note: Although similar, the Health Insurance for Uninsured Montanans credit is not the same as the tax credit available through the Insure Montana Small Business Health Insurance program. If you are using insurance premiums to calculate the Insure Montana Small Business Health Insurance credit, those premium payments cannot be used to calculate this health insurance credit.

What is disability health insurance?

"Disability health insurance" is insurance against:

- bodily injury, bodily disablement or accidental death or the medical expense or medical reimbursement involved, or
- bodily disablement or the medical expense or reimbursements resulting from sickness.

In essence disability insurance is the same as "health insurance" and includes any insurance plan offered by an insurance company that provides coverage such as:

- · personal health
- disablement
- · accidental death
- medical expenses or the reimbursement of these expenses
 However, disability insurance does not include workers' compensation insurance or credit disability insurance. You cannot use your workers' compensation insurance or credit disability insurance premiums in calculating this credit.

I am an employer who provides health insurance to my employees. What qualifications do I have to meet in order to be eligible for this credit?

As an employer who provides health insurance to your employees, you must meet the requirements of the Small Employer Health Insurance Availability Act. In addition, you must answer yes to each of the four statements in Part I.

What is the Small Employer Health Insurance Availability Act?

The Small Employer Health Insurance Availability Act was created by the Montana legislature in 1993. The purpose of this act is to:

- promote the availability of health insurance coverage to small employers regardless of health status or claims experience
- · establish rules regarding renewability of coverage
- establish limitations on the use of preexisting condition exclusions
- provide for the development of basic and standard health benefit plans to be offered to all small employers
- provide for the establishment of a reinsurance program
- improve the overall fairness and efficiency of the small employer health insurance market

How can I determine if I am a small employer who qualifies for this credit?

You are a small employer if you are an individual, firm, corporation, partnership, or a bona fide association that is actively engaged in business and that employs at least two but not more than 20 employees who work at least 20 hours a week during the year the credit is claimed. An employee, for the purpose of this credit, can be the sole proprietor himself or herself, a partner in a partnership, or an independent contractor as long as each one of these classes of employees are included as an employee under your employer health benefit plan.

I am a seasonal employer who employs more than 20 employees on a part-time or temporary basis. Am I still eligible as a small employer to claim this credit?

No, you are not. Because your seasonal employees increase your

total employee count to more than 20 employees in the year, you are not considered a small employer for purposes of claiming this credit. However, if your seasonal employees do not increase your employee count to more than 20, you will qualify for this credit as long as you meet all the other requirements of an employer.

I employ 20 or fewer employees who work at least 20 hours a week. However, turnovers throughout the year increased the total number of individuals that work for me to more than 20. Am I still eligible as a small employer to claim this credit?

Yes, you are. Although more than 20 individuals were employed throughout the tax year, your total employee count did not exceed 20 employees at any one time.

How do I claim my credit when I am a partner or shareholder in a partnership or S corporation?

Your partnership or S corporation will report the credit on its informational tax return and provide you with your share of the credit on a Montana Schedule K-1.

Your share is based on the same proportion used by you to report your income and loss from the partnership for Montana income tax purposes or the pro rata share of ownership in the corporation.

When your S corporation or partnership passes a credit through to you, remember to provide the entity's name, federal employer identification number and your percentage.

If the credit exceeds my tax liability, can I carry any excess to another year?

No, you cannot. Your credit cannot exceed your tax liability. You cannot carry back or carry forward any of your unused credit.

What information do I have to include with my tax return when I claim this credit?

Individuals and C corporations filing paper returns must attach a completed Form HI. S corporations and partnerships filing paper information returns must, in addition to attaching a completed Form HI, include a separate statement identifying each owner and their proportionate share.

What limitations apply to this credit?

The credit cannot exceed 50% of the premium cost for each employee and cannot be claimed for a period of more than 36 consecutive months. A tax credit cannot be granted to an employer or the employer's successor within 10 years of the last consecutive credit claimed.

Questions? Please call us toll free at (866) 859-2254 (in Helena, 444-6900).

When you file your Montana income tax return electronically, you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request. If you file electronically, you do not need to mail this form to us unless we contact you for a copy.