



## 2011 Health Insurance for Uninsured Montanans Credit

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

Name (as it appears on your Montana tax return)

Social Security Number  -  -  **OR** Federal Employer Identification Number  -

### Part I. Partners in a Partnership or Shareholders of an S Corporation

Enter your share of the health insurance for uninsured Montanans credit here. See instructions. \$ \_\_\_\_\_

Business Name of Partnership or Corporation Federal Employer Identification Number  -

### Part II. Qualifications

To qualify for this credit, you must answer **yes** to **all** of the four statements below. For the period that I am claiming the credit:

1. I have been in business in Montana for at least 12 months ..... 1.  Yes  No
2. I employ at least 2 but not more than 20 employees who work at least 20 hours per week .... 2.  Yes  No
3. I pay at least 50% of each Montana employee's insurance premium ..... 3.  Yes  No
4. It has been 36 months or less since I first claimed this credit ..... 4.  Yes  No

### Part III. Credit Computation. This tax credit is limited to a maximum of 10 employees.

Employee	Column A Enter the employee's monthly premium amount.	Column B Enter the percentage of premiums paid by you as an employer.	Column C This is your maximum monthly credit.	Column D Multiply the amount in Column B by the amount in Column C.	Column E Enter the number of months each employee is insured.	Column F Multiply the amount in Column A by the amount in Column E.	Column G Multiply the amount in Column D by the amount in Column E.
1.		%	\$25				
2.		%	\$25				
3.		%	\$25				
4.		%	\$25				
5.		%	\$25				
6.		%	\$25				
7.		%	\$25				
8.		%	\$25				
9.		%	\$25				
10.		%	\$25				
<b>Total</b>							

1. Multiply the total of Column F by 50% (0.50) and enter the result..... 1. \_\_\_\_\_
2. Enter the total of Column G ..... 2. \_\_\_\_\_
3. Enter the smaller of line 1 or line 2. **This is your health insurance for uninsured Montanans credit** ... 3. \_\_\_\_\_

#### Where to Report Your Credit

- Form 2, Schedule V   
  Form CLT-4S, Schedule II   
  Form CLT-4, Schedule C   
  Form PR-1, Schedule II

If you file your Montana tax return electronically, you do not need to mail this form to us unless we ask you for a copy. When you file electronically, you represent that you have retained the required documents in your tax records and will provide them upon the department's request.



## 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.

### Definitions

#### What is disability health insurance?

Disability health insurance is insurance against the following:

- 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 for the following conditions:

- personal health,
- disablement,
- accidental death, or
- 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.

#### 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 do the following:

- 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; or
- improve the overall fairness and efficiency of the small employer health insurance market.

### Part I. Partners in a Partnership or Shareholders of an S Corporation

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

If you received this credit from a partnership or S corporation, you will need to fill out Part I in its entirety. Your share of the credit can be obtained from the Montana Schedule K-1 that you received from the entity. In addition to reporting your share of the credit, you will need to provide the partnership’s or S corporation’s name and Federal Employer Identification Number.

If you received this credit from more than one partnership and/or S corporation, you will need to complete a Form HI for each entity. For example, if you are a partner in one partnership and a shareholder in two S corporations who all qualified for this credit, you would need to complete three forms.

### Part II. Qualifications

#### 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?

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 II.

#### 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
- you employ at least 2 but not more than 20 employees who work at least 20 hours a week during the year the credit is claimed.

For the purpose of this credit, an employee can be the sole proprietor, 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 an employer who had seasonal employees during the year. Am I still eligible as a small employer to claim this credit?

Possibly. If 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.

### Part III. Credit Computation

#### 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.

#### 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 include a completed Form HI. Partnerships and S corporations filing paper information returns must include a separate statement identifying each owner and his or her proportionate share, in addition to a completed Form HI.

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