Montana Department of REVENUE

MONTANA
HI
Rev 06 15

2015 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 portion of the health insurance for uninsured Montanans credit here. See instructions. $_____

Business Name of Partnership or S 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				
					Total		

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 CIT, 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 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.

I am an employer who paid traditional health insurance premiums for my employees but heard this referred to as a credit for employers who paid disability insurance premiums. Is there a difference?

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. These two types of insurance premiums cannot be used in calculating this credit.

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

- **Individuals.** If you are filing a paper return, include a copy of Form HI with your individual income tax return.
- **C corporations.** If you are filing a paper return, include a copy of Form HI with your corporate income tax return.
- **S corporations and partnerships.** If you are filing a paper return, include Form HI with your Montana information return Form CLT-4S or PR-1 and include a separate statement identifying each owner and their share.

You will need to complete a separate Form HI for each source you are receiving the credit from. For example, if you are a partner in one partnership that qualifies for this credit, and you, as an individual, also qualify for this credit, you would need to complete two forms.

If you file electronically, you do not need to mail this form to us unless we contact you for a copy.

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

If you complete Part I, do not complete Part II or III.

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

If you are a partner or shareholder in more than one partnership or S corporation, you will need to complete a separate Form HI for each entity you are receiving the credit from.

Part II. Qualifications

To qualify for this credit, you must answer *yes* to each of the four statements in Part II.

Line 1 – You must have been in business in Montana for at least 12 months.

Line 2 – You must 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.

If you had seasonal employees that increased your total employee count to more than 20 employees in the year, you are not eligible to claim this credit. However, if your seasonal employees did not increase your employee count to more than 20, you will qualify for this credit as long as you meet all other requirements.

If you had employee turnover throughout the year that increased the total number of individuals who worked for you to more than 20, you will still be eligible for the credit as long as your total employee count did not exceed 20 employees at any one time.

Line 3 – At least 50% of each employee's insurance premium must be paid by the employer. The insurance policy must meet the minimum requirements of the Small Employer Health Insurance Availability Act.

Line 4 – You cannot claim this credit for a period of more than 36 consecutive months which begins with the first month for which the credit is claimed. In addition, this tax credit cannot be granted to an employer or the employer's successor within 10 years of the last consecutive credit claimed.

Part III. Credit Computation

Complete the table in Part III. Please note that there are only 10 lines on the chart because you are not entitled to a tax credit for more than 10 employees.

Line 1 – Multiple the total of Column F by 50%. Your credit cannot exceed 50% of the premium cost for each employee.

Line 2 – Enter the total of Column G.

Line 3 – Enter the smaller of line 1 or line 2. If the amount on this line exceeds your tax liability, you cannot carry back or carry forward any of your unused credit.

Administrative Rules of Montana: 42.4.2404 and 42.4.2801 through 42.4.2803

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