



# Oregon

Kate Brown, Governor

**Department of Consumer and Business Services  
Oregon Health Insurance Marketplace**

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**Sample of SHOP Approval Letter for Small Business Tax Credit**

(This letter works as the government pass/payment coupon for IRS tax refund)

CHOU  
ERICA  
3<sup>RD</sup> DRIVE, STE 270  
PORTLAND OR 97211

**Re: Marketplace Small Employer Program Eligibility Notice**

Dear Sharon Chou:

We have reviewed your policy information for plan year 2018 and determined that your small business would be eligible to participate in the employer program with the Marketplace.

If you wish to apply for the IRS Small Business Tax Credit, you will need to provide this notice with your tax documentation to your tax professional. This notice provides confirmation that you have purchased the following Marketplace certified employer program plans:

Insurance company	Plan name	Plan ID
Kaiser Permanente	KP OR Bronze 6600/40	71287OR0570007-01
Kaiser Permanente	KP OR Platinum 0/20	71287OR0430001-01
Kaiser Permanente	KP OR Choice 80 Pediatric Dental Plan	71287OR0600002-01

The Marketplace does not determine eligibility for the IRS Small Business Tax Credit. You can find more information about tax credit options by contacting a tax professional or by visiting [irs.gov](http://irs.gov).

If you have any questions, please send them via e-mail to [marketplace@oregon.gov](mailto:marketplace@oregon.gov).

Sincerely,

Amy Coven  
Marketplace Small Employer Program

# How to use SHOP tax credit to get tax refund

( How to get your money back that was paid for health insurance )

Example Case: a family owned business (LLC) paid \$1,386 a month for health insurance in 2017 and was eligible 50% SHOP tax credit, which total tax credit  $\$1,386 \times 50\% \times 12 \text{ months} = \$8,316$ . On 2017 tax return 1040, Line #69, fill \$8316, so Line #75 refund will be \$8,316.

↓ ( In fact, this needs a licensed accountant to prepare a tax return for the business. )

The screenshot shows the IRS Tax form 1040 - 2017. The form is divided into sections: Payments, Credits, and Refund. The 'Payments' section includes lines 63 through 73. Line 63 is 'Add lines 56 through 62. This is your total tax'. Line 64 is 'Federal income tax withheld from Forms W-2 and 1099'. Line 65 is '2017 estimated tax payments and amount applied from 2016 return'. Line 66a is 'Earned income credit (EIC)'. Line 66b is 'Nontaxable combat pay election'. Line 67 is 'Additional child tax credit. Attach Schedule 8812'. Line 68 is 'American opportunity credit from Form 8863, line 8'. Line 69 is 'Net premium tax credit. Attach Form 8962'. Line 70 is 'Amount paid with request for extension to file'. Line 71 is 'Excess social security and tier 1 RRTA tax withheld'. Line 72 is 'Credit for federal tax on fuels. Attach Form 4136'. Line 73 is 'Credits from Form: a 2439 b Reserved c 8885 d'. Line 74 is 'Add lines 64, 65, 66a, and 67 through 73. These are your total payments'. The 'Refund' section includes line 75 'If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid' and line 76a 'Amount of line 75 you want refunded to you. If Form 8888 is attached, check here'. The form shows a value of 8,316 on line 69 and line 75. A note on the left says 'If you have a qualifying child, attach Schedule EIC.' A note at the bottom says 'Direct deposit? See'. A note at the bottom right says 'c Type: Checking Savings'.

**Note**, this example is only for LLC, s-corp company to combine tax credit into individual tax return.

## Small Goup Health Insurance-SHOP to Audit

### 1.) **Business** information (your accountant can help)

- State Registration, Tax ID, Owners/Officers name;
- Contact information: name, phone, address, etc.
- Tax Form 941, One month payroll report (names);
- List of each owner and employee work hours/week.

### 2.) **Owners/Officers** Family Data (“**Fact Find**” form)

### 3.) **Employees** Hours & Wages (“**Fact Find**” form)

(Forms, #1 **Owner** to fill, #2 & #3 only for **applicants**)