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**Expanding and Simplifying Healthcare Tax Credit for Small Businesses Will Help Rein in Coverage Costs**

*SBA Administrator Karen Mills joins Small Business Majority and Michigan small business owner on press call to discuss expansion of small employer healthcare tax credit*

Feb. 16, 2012—Small Business Majority CEO John Arensmeyer joined Administrator Karen Mills, head of the U.S. Small Business Administration, and a Michigan small business owner on a tele-press conference today to discuss the expansion and simplification of the small business healthcare tax credit in the Affordable Care Act.

Since its enactment nearly two years ago, the Affordable Care Act has already helped many small business owners better afford health coverage. The healthcare tax credits have played an important role. However, the credit could be made even more robust—which is what the president proposed as part of his 2013 budget.

Already, the small business tax credits are helping thousands of small businesses better afford health insurance. Last year, we released [national opinion polling](#) that found one-third of small business owners who currently don't offer insurance would be more likely to do so because of these credits.

“Improving this provision will let more small businesses take advantage of an important tool to help rein in healthcare costs,” said John Arensmeyer, founder and CEO of Small Business Majority. “What’s good for small business is good for the economy. Expanding the tax credit would save more small businesses money, which will do even more to stimulate our economic recovery.”

Michigan’s Mark Hodesh, owner of 100-year-old Downtown Home and Garden in Ann Arbor, is one of many owners whose business has already grown thanks to savings from the credit. “I’ve offered my 11 employees health insurance for a long time in order to attract and retain talent. Thanks to the Affordable Care Act, I’m now being rewarded for doing so,” he said.

In 2010, Hodesh saved almost \$9,000 with the credit—nearly 30 percent of his total premium contribution. “Knowing that I was getting the credit gave me the confidence I needed to hire a 12<sup>th</sup> employee, who turned out to be a big asset to my store. Previously unemployed, she’s also now an asset to the local economy as a taxpayer and consumer.” This year, Hodesh could qualify to receive about \$9,800 if Congress adopts the expanded credit.

The healthcare tax credits were designed to ease the burden of small businesses’ skyrocketing healthcare costs so these firms can grow and hire. Unfortunately, [our polling](#) found 57 percent of small business owners do not know the credits exist. And from speaking with entrepreneurs and CPAs across the country, we’ve found that some small employers—although they might qualify for the credit—think it’s too complicated and bypass it entirely. The president’s budget would change that.

To view Small Business Majority's economic and opinion research on healthcare reform's impact on small businesses, visit our website: <http://smallbusinessmajority.org/small-business-research/healthcare/index.php>

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### **About Small Business Majority**

Small Business Majority is a national nonpartisan small business advocacy organization founded and run by small business owners, and focused on solving the biggest problems facing America's 28 million small businesses. We conduct extensive opinion and economic research and work with small business owners, policy experts and elected officials nationwide to bring small business voices to the public policy table. [www.smallbusinessmajority.org](http://www.smallbusinessmajority.org)