Small businesses uncertain about health care tax credits

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ST. GEORGE - It's tax season for Utah's small businesses, but too many of them are missing out on some vital tax credits, said Judi Hilman, executive director for the Utah Health Policy Project.

The sweeping health care legislation signed into law by President Barack Obama a year ago provided $4 billion in tax credits to small businesses that chose to supply health insurance to their employees. But Hilman said it doesn't appear as if many Utah small businesses will take advantage of that credit.

"We're noticing a lot of small businesses in Utah and across the country don't know the tax credit is available to them," she said.

Terry Gardiner, national policy director for business advocacy group Small Business Majority, said he's noticed that as well.

"We're finding that less than half of all small businesses have ever even heard of the small-business credit," Gardiner said.

Businesses with less than 25 employees with an average salary less than $50,000 are eligible for the credits, which can reach up to 35 percent of all health care contributions.

"This is a boost to those who provide insurance and an incentive to those who are unable to afford it," Gardiner added.

Here in St. George, however, many small businesses are either unaware of the credit or are simply ideologically opposed to the law.

Southern Utah Insurance owner Gerene Mason said she could understand some of that. The law's 18-page formula isn't exactly inviting for business owners and their accountants.

"They're thinking it's way too complicated," she said, adding that her 2010 credit for her seven employees surpassed $1,200. "They will get some money. It will definitely help them."

Stapley Pharmacy owner Evan Stapley said his accountant has yet to fill him in on the details of the tax credit. Though he guarantees benefits to his employees, he said the government has overstepped its bounds when it comes to health care and he would prefer the law was repealed and replaced with something else.

"We have our fears because it sounds like Big Brother wants to come in and control what we do," he said. "We're going to function as a business whether we get the discounts or not."

City Councilman Gil Almquist, owner of Gil Almquist landscaping, said he still prefers to pay his employees more so they could purchase their own insurance.

"The pay structure would have to change for me to provide them health care," he said. "They found out it was cheaper to go out in the market and find a plan that suited them than it was for me to provide for them as a group."

Regardless of any tax benefits, Almquist said he would oppose the law out of principle.

"Even if there's an incentive, if it makes for big government then I'm probably not interested," he said.