Small Business Health Care Tax Credit
Frequently Asked Questions

The following frequently asked questions (FAQs) may clarify issues about the small business health care tax credit (Tax Credit) contained in the Patient Protection and Affordable Care Act (PPACA). These FAQs are based on questions raised by annual conferences about the practical implications and applicability of the Tax Credit to certain facts and circumstances that are common across the denomination. Each question below is followed by a response from the General Board of Pension and Health Benefits (General Board), based on the information published by the Internal Revenue Service (IRS) and the terms of the PPACA.

This document is not intended as legal or tax advice, but rather as explanatory and illustrative information to help United Methodist local churches understand the Tax Credit and benefit from the tax credit where possible. (You can read a general summary of the Tax Credit here.)

Plan-Related Questions

Q: The IRS guidance and General Board materials mention “qualifying arrangements.” What types of United Methodist health plans would be considered qualifying arrangements?

A: The only premium payments an employer pays that are eligible for the Tax Credit are those paid for "health insurance coverage" under a "qualifying arrangement."

Prior to 2014, health insurance coverage for purposes of the Tax Credit means benefits provided through a health insurance issuer as described in Internal Revenue Code §9832(b)(1) (i.e., a state-licensed health insurance company). Certain limited-scope benefits, such as dental, vision, long-term care and specified disease insurance, also may be eligible. Employer contributions to health reimbursement arrangements (HRAs), health savings accounts (HSAs) and health flexible spending accounts (FSAs) are not eligible premiums under the Tax Credit.

Earlier IRS guidance suggested that eligible coverage had to be issued by an insurance company licensed under state law, thus precluding qualification of many churches covered in self-funded denominational plans. However, in December 2010, the IRS announced that the Tax Credit is available to churches and other small employers that obtain coverage through self-funded church health plans. The General Board’s HealthFlex plan is a self-funded church health plan that is considered “health insurance coverage” under the Tax Credit. Other self-funded annual conference plans would also be considered “health insurance coverage.”

After 2014, the Tax Credit is restricted to premiums for coverage purchased on a health insurance exchange.
A **qualifying arrangement** is an arrangement under which an employer pays premiums for each employee enrolled in health insurance coverage in an amount equal to a uniform percentage (not less than 50%) of the premium cost of the coverage. (There was limited transition relief regarding this uniformity requirement for the 2010 tax year.) Employee contributions through a cafeteria plan or otherwise do not count toward this 50% threshold. The rules vary slightly depending on whether the employer offers a single health insurance plan or more than one plan, the insurer or plan uses composite billing or list billing, or whether the employer offers a more expensive tier of coverage than single coverage. Notice 2010-82 and the IRS FAQs provide many examples to illustrate the application of these rules.

If an employee is receiving coverage that is more expensive than single coverage (e.g., family coverage), the employer needs to only pay at least 50% of the premium for single coverage for that employee (even if it is less than 50% of the family coverage premium). For 2010 only, employers that paid at least 50% of the premium for single coverage for each employee enrolled in coverage did not fail to maintain a qualifying arrangement merely because the employer did not pay a uniform percentage for each covered employee.

**Example:** A local church covering a clergyperson and two lay employees in a qualifying arrangement may be eligible for the Tax Credit if the church makes uniform contributions in excess of 50% of the single premium for each employee, e.g., 75%.

Employers that offer more than one health care plan can satisfy the uniformity requirement on a plan-by-plan basis. That is, a church could have one health care plan for clergy and a different plan for lay employees. If the church satisfies the uniformity requirement for the clergy plan, then the church can apply for the Tax Credit with respect to the clergy coverage, whether or not the lay plan satisfies the uniformity requirement. If the church also satisfies the uniformity requirement with respect to the lay plan, then the church can apply for the Tax Credit with respect to both plans, even if the percentages of premiums paid for each plan are not identical.

**Q:** Does the uniform percentage requirement require churches to cover all employees?

**A:** No. The uniform percentage requirement is not a uniform coverage requirement. The Tax Credit only requires the percentage of premium paid by the employer to be uniform (with the exception for 2010) for employees **enrolled in** the health plan and does not require that all employees be enrolled. However, other federal laws, such as the nondiscrimination rules in Code §105(h), may impose coverage requirements on health plans.

**Q:** In reading the General Board’s materials regarding the Tax Credit, several references are made to self-funded church plans, but there is only one reference to insured plans. Our annual conference plan is insured; that is, we purchase group insurance from a licensed insurance company. About 50% of our local churches participate, and the other 50% purchase their own plans in the small group market. Are the churches in our annual conference eligible for the Tax Credit?

**A:** Yes. Local churches in church plans that are insured by a licensed insurance company—whether the insurance plan is at the annual conference level (a multiple employer plan) or strictly at the local church level—are eligible for the Tax Credit as long as they satisfy the other requirements of the Tax Credit, such as the limit on number of employees, the limit on average wages and the requirement for uniform coverage. (See Tax Credit summary for details.) The reason the General Board’s earlier articles about the Tax Credit focused on self-funded church plans is because the IRS did not clarify that self-funded church plans were considered “qualified health insurance coverage” for purposes of the Tax Credit until its December 2010 guidance.

Employers in other self-funded arrangements (non-church plans) are not eligible for the Tax Credit.
Premium-Related Questions

Q: Our annual conference blends the premium rates that HealthFlex (the denominational plan) charges for single or family coverage of clergy into a standard “flat-blended conference premium rate.” How would local churches apply this blended rate to the Tax Credit calculations for covering single clergypersons, and how would it affect those providing family coverage?

[For example, assume our conference pays $7,000 to cover single clergy and $13,000 to cover clergy with families. We blend the rate and charge each church approximately $10,000 for coverage. (This helps prevent the cost of covering the clergyperson’s family from determining appointments).]

A: Local churches in these circumstances should use the premium they are charged by the annual conference (regardless of how the conference may blend or cross-subsidize the premiums it is charged by HealthFlex or its insurance carrier) as the applicable health insurance premium for purposes of the Tax Credit. To be a qualifying arrangement, the local church would have to pay at least 50% of this blended premium for everyone covered (the uniform coverage requirement). If the local church pays the blended premium to cover a single clergyperson, then the church should treat that blended premium as a single coverage premium. In calculating the Tax Credit amount, the single coverage premium would be limited to the state average single coverage premium published by the IRS. Similarly, local churches paying the blended premium to cover a clergyperson and his or her dependents should treat the blended amount as a family coverage premium for Tax Credit purposes, subject to the IRS’ published state average family premium.

Conferences that blend premiums in this manner should be aware that the PPACA also has a requirement (effective January 1, 2014) that employers report the value of health care coverage on employees’ Forms W-2. In the case of most clergy, the employer for this requirement is the local church. Although the IRS has not yet published rules and regulations for reporting this value, it is likely to require that a premium that would apply to the plan for COBRA (or continuation coverage for church plans) be used as the basis for this reported value. For conferences that blend rates, this may mean that local churches will report a “value of health coverage” on a clergyperson’s Form W-2 that is substantially lower than the amount the conference charges the church (if based on single coverage), or significantly higher than the charged amount (if based on family coverage). Using the example above, the local church might have to report approximately $7,000 on the Form W-2 of a single clergyperson when the church actually paid $10,000 for that coverage. Similarly, the church would probably report approximately $13,000 for a clergy with family coverage, even though the church actually paid $10,000. (This policy has not yet been finalized by the IRS.)

For the most part, this requirement will apply to the Form W-2 that employers provide employees in January 2015 for the 2014 tax year. However, an employee who terminates employment mid-year during 2014 has the right to request a Form W-2 at the time he or she departs. Therefore, employers may need to be ready for this requirement in early 2014.

Q: Our annual conference provides health coverage to all full-time clergy appointed to local churches. The coverage is funded through apportionments; that is, the annual conference does not direct bill the local churches a “premium” in the traditional sense. Every church pays a line item amount on their apportionment for health care coverage in the annual conference plan. That amount is based on the church’s size, and is not related to the number of health plan participants at the church. The conference pays 100% of the premium for eligible employees. Were our conference’s small churches able to take advantage of the Tax Credit for 2010?

If not, can you suggest any way we can quickly modify our program so that small churches will qualify for years after 2010?
Local churches in your annual conference plan were able to qualify for the Tax Credit for 2010. Representatives of the Church Alliance explained to the IRS that church plans allocate health plan costs in many different ways. Some charge a plan contribution based on a percentage of clergy compensation; others charge traditional experience-based premiums; and still others include the cost with church-required remittances, such as apportionments, that may be based on church size, budget, etc. With this knowledge, the IRS determined that church plans—whether self-funded or insured—would qualify as “health insurance coverage” for purposes of the Tax Credit.

Local churches could treat the line item amount of the apportionments that was dedicated to the conference health plan as the applicable premium for coverage of its clergy, as long as that amount bore some reasonable relationship to the plan’s costs. Essentially, the “premium” was paid 100% by the church (through the apportionment) and not by the clergyperson. If the church paid at least 50% of premiums for any other employees covered by that plan and the church has the qualifying number of employees and average wages, the church qualified for the Tax Credit in 2010. The church needed to limit the amount of the apportionment line item that it treated as applicable to the state average premium that would be applicable to the clergyperson’s chosen coverage (i.e., single or family).

Conferences that allocate health plan costs through apportionments in this manner also may encounter challenges with the requirement to report the value of coverage on employees’ Forms W-2 after 2014. Because they will have to begin providing a COBRA-like premium calculation to local churches to satisfy this requirement in the next year or two, these conferences may want to consider beginning to directly bill local churches for health plan premiums, or perhaps breaking down the apportionment line item for the health plan to reflect a “value of coverage” separate from the amount the conference attributes to the church based on size, location, etc.

**Employer-Related Questions**

**Q:** Does the Tax Credit apply separately to church organizations that have separate Employer Identification Numbers (EINs)? Our annual conference office has several district offices, a foundation office and several youth camps—each with distinct EINs. Does each employer (with its own EIN) apply separately for the Tax Credit?

**A:** The answer to this question depends greatly on the facts and circumstances in each annual conference. For purposes of the Tax Credit, members of a controlled group (i.e., businesses with the same owners or that may share boards of directors) are treated as a single employer. Thus, all employees of the controlled group, and all wages paid to employees by the controlled group, are counted in determining whether any member of the controlled group qualifies for the Tax Credit. Rules for determining whether an employer is a member of a controlled group are provided under IRS Code §414(c). However, the IRS has not made clear how the regulations under Code §414(c) apply to churches and their affiliated organizations. If a church or church-affiliated employer is corporately affiliated with, or shares day-to-day operational and financial control with, another church or church-affiliated employer such as a day care program; the two employers might be treated as one under these rules. This requirement may make it more difficult to qualify for the Tax Credit.

Generally, local churches will not be affected by this rule. The church would be a single employer for purposes of the Tax Credit, unless the local church operates a day care program or other services (with employees) in its facilities or is otherwise closely tied to another church employer.

For conferences (conference offices), however, the analysis can be a bit more complicated. A conference should apply a good faith analysis approach to determine which of the organizations with which it is affiliated (for example, through sharing office space, funds or management) should be aggregated for calculating the Tax Credit. The sharing of one EIN is one factor; yet even with separate EINs, conference offices or boards may be in the same “controlled group” under the Tax Credit if they meet certain criteria. There are no clear IRS rules on the subject; however, when tax-exempt entities share a very high percentage of board members, directors or trustees,
or when one entity has the ability to appoint or remove a high percentage of another entity’s directors, they may be considered members of a “controlled group.” If one entity provides a substantial majority of another’s operating funds and there is a significant degree of common management, supervision or involvement in day-to-day operations, then the entities also may be considered a “controlled group.” Where operating budgets are shared, conference or district boards or offices share many of the same directors, or where the conference office is substantially involved in the daily operations of an affiliated agency, it may be prudent to aggregate employees for purposes of the Tax Credit.

Q: We have six summer camps, which each have their own budget; but the payroll is centralized for all six under a conference board with one EIN. When we count up FTEs and calculate average wages, do we count all the employers using that same EIN?

A: Probably yes. The sharing of an EIN may create an appearance of common control by conference organizations. The IRS has payroll tax records that would indicate that the conference office (the main entity using the EIN) employs more than only the employees who work in the conference office (e.g., at the board of pensions). Though sharing an EIN is not the sole determining factor of common control among employers, it may be a factor that weighs heavily toward treating employers as one for purposes of the Tax Credit.

Clergy Questions

Q: Can a local church include a clergyperson in its calculation when determining eligibility for the Tax Credit?

A: Usually yes. The answer depends on whether, under the “common law test” for determining worker status, the clergyperson is considered an employee of the church or truly self-employed. Clergy are generally considered “self-employed” for purposes of Social Security taxes (FICA) and Medicare taxes. However, for many other federal income tax and employee benefits purposes, clergy can be considered “employees” of the church where they work. Depending on the facts and circumstances, clergy may be considered employees for purposes of the Tax Credit. Churches need to determine whether the clergyperson serving the church in question satisfies the requirements of the common law test for determining worker status. This is the same test that a church employer follows to determine whether the clergyperson is an employee subject to Form W-2 reporting or an independent contractor subject to Form 1099 tax reporting. If the church is reporting the clergyperson’s wages on a Form W-2, the clergyperson is most likely an “employee” for purposes of the Tax Credit.

In one case [Weber v. Commissioner (60 F.3d 1104)] related to the employment status of United Methodist clergy, the U.S. Court of Appeals for the Fourth Circuit held that clergy are “employees” for the purposes of employee benefits and federal income tax (but not FICA tax) laws. So for the most part, clergy should be counted in the employer’s employee count, and the premiums paid for coverage of the clergyperson are counted toward the Tax Credit. In addition, even when counted as an employee for the purposes of the Tax Credit, a clergyperson’s compensation is not included in the employer’s calculation of average wages; in fact, clergy compensation is excluded in this circumstance because it is not subject to FICA. The clergyperson often is the highest-paid individual at the local church, so this exclusion will actually benefit some churches by resulting in a lower overall average wage because clergy are included in calculating the number of full-time employees (FTEs) yet clergy wages are excluded from the average-wages calculation.

Q: Are the clergyperson’s wages taken into account when computing average annual wages for purposes of the Tax Credit?

A: No. Compensation paid to clergy for duties performed in the “exercise of their ministry” is not subject to FICA taxes—even for clergy who are considered “common law employees” under this Tax Credit. Thus, the wages of a clergyperson, even if he or she is tallied in the employee count, are not taken into account in computing average annual wages for the Tax Credit.
Q: If I include the pastor in the count of employees, should I include his or her compensation in calculating the average wages?
A: No. Clergy compensation is not included in calculating the average wage.

Q: If only our church’s clergyperson is covered in the health insurance plan, and the church otherwise qualifies for the Tax Credit, can our church take the Tax Credit against Medicare and federal income taxes withheld and Medicare taxes paid with respect to our church’s lay employees?
A: Yes. A church may apply the Tax Credit against these taxes withheld and paid on behalf of the church’s lay employees.

**Tax Form Questions**

Q: How does a tax-exempt employer, like a local church, claim the Tax Credit?
A: A local church, described in and exempt from tax under Code §501(c)(3), claims the Tax Credit by filing a Form 990-T with an attached Form 8941 showing the calculation of the claimed amount of the Tax Credit.

Q: If our church completes and files a Form 990-T, must we complete and file a Form 990?
A: No. You only need to file a Form 990-T, accompanied by a Form 8941.

Q: Should our church have been submitting a Form 990 or Form 990-T all along?
A: No. Though most tax-exempt organizations are required to periodically submit such forms, churches are exempt from this requirement. The only reason for a church to submit a Form 990-T at this time is to claim the Tax Credit.

Q: Form 990-T asks (on line F) for a group exemption number in addition to the local church’s EIN (on line D). What is the denomination’s group exemption number for its Code §501(c)(3) status?
A: The United Methodist Church’s group exemption number is 2573.

Q: In lines A through J of Form 990-T, are there any “tricky” questions?
A: Most of these questions are fairly basic demographic-type questions. However, line C may cause some churches to worry. A church may want to provide a reasonable estimate of the value of the local church’s real property (land and buildings) and personal property (bank accounts, securities and equipment). The information has no bearing on the remainder of the Form 990-T; however, leaving that line blank may otherwise draw attention.

Q: Is it okay to leave line H “describe the organization’s primary unrelated business activity” blank since there is no unrelated business income?
A: Yes, or one can write “NA” or “None.”

Q: It appears that a local church would only enter an amount on line 44f of Form 990-T (the amount resulting from Form 8941), then carry that amount to lines 45, 48 and finally line 49 for the refundable Tax Credit. Is this correct?
A: Yes.

Q: Local churches do not regularly complete these tax forms, so they may be confused and may attempt to enter more information than is necessary. Some written directions and example forms would be helpful, and may relieve anxiety and minimize errors.
A: We agree, and have provided a list of illustrative helpful hints in the Appendix at the end of this document. However, we recommend that local churches speak to a qualified tax adviser about the Tax Credit and these tax forms.
Employee and Wage-Related Questions

Q: How does one determine FICA wages, i.e., Form W-2 wages, for the average wage calculation for lay employees? Does one use gross wages paid or does one deduct certain pre-tax contributions, such as those to pay for (i) the employee’s share of health insurance premiums, (ii) flexible spending accounts (FSAs), and (iii) the United Methodist Personal Investment Plan (UMPIP) or other salary-reduction retirement accounts?

A: Generally, most wages are subject to FICA taxes and therefore would be included in the average wage calculation for the Tax Credit. However, there is a special rule about employee contributions through a cafeteria plan to pay for their “employee share” of health insurance premiums and to fund FSAs. These amounts are excluded from gross income subject to FICA, so they should not be counted as FICA wages for purposes of the Tax Credit’s average wage calculation. If the local church maintains a cafeteria plan (under Code §125) and its employees fund their health insurance premiums and FSAs through that plan, those amounts are excluded from the average wage calculation.

In addition, certain other fringe benefits (when provided by an employer) are exempt from FICA and Medicare taxes and would therefore not be counted in the average wage calculation for the Tax Credit. These include transportation (commuting) reimbursement plans [Code §132(f)], certain moving expense reimbursements, imputed income attributable to group term life insurance coverage in excess of $50,000, dependent care assistance, education assistance and qualified achievement awards.

Employee salary deferrals to retirement plans, such as UMPIP, are not subject to the same rule. Those amounts are considered gross income subject to FICA taxes for lay employees and should be counted as wages for the Tax Credit’s average wage calculation.

Rather than gross income, employers should use only wages subject to FICA taxes (generally the same number the employer uses on Form 941 to remit payroll taxes, and reports in box 5 of employees’ Form W-2).

Q: The General Board’s summary mentions clergy electing to have taxes withheld from their compensation to help the local church receive the Tax Credit; could you explain this further?

A: Churches are not required to withhold federal income taxes from clergy compensation. In addition, clergy are considered self-employed for FICA (SECA) tax purposes. So if a church has only clergy employees, there may not be sufficient payroll tax obligations for the church to claim the refundable Tax Credit. If a clergyperson elects to have the church withhold federal income tax (though not FICA or Medicare taxes) from his or her compensation on Form W-4 and remit that to the IRS, the church will have some payroll tax amounts against which to claim the Tax Credit.

Additional Information

For additional information about the Tax Credit, visit the IRS’s website at http://www.irs.gov/newsroom/article/0,,id=231928,00.html. A detailed discussion of how to calculate the Tax Credit is included in the instructions to Form 8941.

More information about the Tax Credit and how health care reform may impact the health plans of The United Methodist Church is available in the Health Care Reform section of the General Board website. Please submit any questions to healthcarereform@gbophb.org. You also can learn more about health care reform in general at www.healthcare.gov.
Appendix

Helpful Hints for Completing *Form 8941*

**Identifying Number** is the local church’s Employer Identification Number (EIN) used to report payroll taxes.

**Line 1:** All employees of the church, whether part-time or full-time and whether or not offered or covered by health insurance. Usually, include clergy in this count. Exclude contractors (such as a janitor working for an outside service) and seasonal employees working fewer than 120 days.

**Line 2:** The number of “full-time equivalent employees” (FTEs) with or without health insurance. Clergy are usually counted. Contractors (those receiving a Form 1099 instead of a Form W-2), leased employees (from another company), and seasonal employees working less than 120 days during the year are excluded. Employees working 20 hours per week would generally be counted as a 50% (0.5) FTE. An employee working half the year also would count as a 50% (0.5) FTE. No employee, regardless of overtime, counts for more than 1.0 FTE. The total number of FTEs is always rounded down to a whole number (but cannot be less than 1).

**Line 3:** Add all the salaries/wages paid in 2012, excluding (i) clergy compensation, housing and allowances; (ii) seasonal employees’ (working less than 120 days) pay; (iii) contractors or self-employed persons; and (iv) leased workers (e.g., a janitor working for an outside company). The amount should resemble the amount reported on Line 5c of *Form 941 Taxable Medicare Wages* for the year. Divide the total wages by the number of FTEs from Line 2. You must use the FTE number as the denominator (which usually will include the clergyperson even though the numerator does not include his or her compensation).

**Line 4:** Total premiums the church paid for health insurance premiums beginning January 1, 2012 through December 31, 2012. These premiums may be direct-billed by the conference (or insurance company), billed as a conference-blended rate, or may be represented by a line item on the church’s apportionments.

**Line 5:** The premiums paid for health insurance coverage that count toward the Tax Credit are subject to a maximum amount not to exceed the state average premium for the type of coverage. To calculate this maximum, compare the premiums (described above in Line 4) to the average premium for the church’s state, which are listed in the instructions to *Form 8941*. The premiums in Line 4 are limited to the amount that the church would have paid (based on what percentage share of the premium it pays versus what the employee pays) had the church’s plan carried an average premium for the state.

**Line 7:** If the church has fewer than 10 employees and average wages are less than $25,000, then use 25% multiplied by the smaller of Lines 4 or 5. If the church has more than 10 employees or average wages are greater than $25,000, the Tax Credit is reduced in a prorated manner.

**Line 8:** If Line 2 is 10 or fewer, Line 8 will be the same as Line 7. If the number of FTEs is greater than 10, follow the directions in *Form 8941* to calculate the number for Line 8. Generally, subtract 10 from the number of FTEs on Line 2. Divide this result by 15. Multiply this result by the number on Line 7. Then subtract this product from the number on Line 7.

**Line 9:** If Line 3 is below $25,000, Line 9 will be the same as Line 8. If Line 3 is above $25,000, follow the directions in the instructions to *Form 8941* to calculate the number for Line 9. Generally, subtract $25,000 from the average salary on Line 3. Divide this result by 25,000. Multiply this result by the number on Line 7. Then subtract this product from the number on Line 8.

**Lines 10, 15 and 17** should be $0 for most churches.

**Lines 11, 12 and 16** should be the same number as Line 9.
**Line 13:** The number of employees enrolled in the health plan. If only the clergyperson is covered, this should be 1.

**Line 14:** The number of FTEs. If only the clergyperson is covered, this should be 1.

**Line 18:** Generally should be left blank.

**Line 19:** Not all payroll taxes should be reported here, because not all payroll taxes qualify for the credit. Three types of payroll taxes are added to calculate the number for Line 19.

1. Medicare taxes (not Social Security taxes) withheld from paychecks of all employees (whether or not the employee is covered in the health plan).
2. Medicare taxes (not Social Security taxes) paid by the local church as the employer share for all employees (whether or not the employee is covered).
3. Federal income tax withheld from paychecks for all employees (whether or not they are covered).

A church may review the Forms 941 that it has submitted, if any, to report and remit payroll taxes.

**Line 20:** The smaller of Line 16 or Line 19. This is also the amount for line 44f of Form 990-T.

**Helpful Hints for Completing Form 990-T**

Most tax-exempt (non-profit) organizations are required annually to file Form 990 with the IRS. Churches are exempt from this requirement. Form 990-T is an amendment to Form 990 and rarely used. The only reason for local churches to use Form 990-T at this time is to claim the Tax Credit. It appears complicated, but for the purposes of the Tax Credit should be fairly easy to use.

Provide the name and address of the local church. For the Tax Credit in 2012, the tax year will be the tax year beginning January 1, 2012.

**Box A:** May be left blank.

**Box B:** The box next to “501” should be checked, and (c) and (3) added in the spaces to the right.

**Box C:** This item may seem intimidating. A church may want to list a reasonable estimate of church-owned real estate plus the value of its financial accounts. This information has no bearing on the remainder of the form, but a blank may draw attention.

**Box D:** The local church’s “employer identification number” or EIN, the number used to file payroll taxes forms.

**Box E:** May be left blank.

**Box F:** The group ruling number for The United Methodist Church (the denomination) is 2573. This may be the only time this number is used.

**Box G:** The box for 501(c) 3 corporation should be checked.

**Box H:** May be left blank.

**Box I:** This box generally may be left blank, unless the local church is closely affiliated with another tax-exempt employer, such as a day-care center; meaning the organizations share budgets, management, and routine operational control.

**Box J:** Provide the name and phone number of the individual completing the Form 990-T.

**Part 1:** This part may be left blank (or filled with zeroes).

**Part 2:** This part may be left blank.
Part 3: This part may be left blank.

Part 4: Lines 40, 41, 42 and 43 may be left blank. The amount from Line 20 of Form 8941 should be entered on Line 44f. This number should be carried through to Lines 45, 48 and 49. Lines 46 and 47 may be left blank. Churches should not ask that any of the Tax Credit be credited to estimated taxes in 2013—rather they should ask it be refunded.

Part 5: For churches, the answer to statements 1 and 2 are likely to be “No.”

Sign the Form 990-T and save a copy for the church’s records. Be sure to include Form 8941.

For the 2012 tax year, Form 990-T is due by May 15, 2013.