Date: [Insert Date]

Client Name: [Insert Client Name]
Business Name: [Insert Business Name]
Address: [Insert Address]

Subject: Eligibility for Self-Employed Health Insurance Deduction and Premium Tax Credit

Dear [Client Name],

This letter is to confirm your eligibility for the Premium Tax Credit (PTC) as it relates to your self-employment income for the tax year [Insert Year].

Based on our review of your financial records and projected income, we have determined the following:

- **Self-Employed Status:** You are currently operating as a sole proprietor, partner, or shareholder owning more than 2% of an S-Corporation.
- **Health Insurance Coverage:** You are enrolled in a qualifying health plan through the Health Insurance Marketplace.
- **Income Requirements:** Your projected household income falls within the required range (between 100% and 400% of the federal poverty level, or as currently modified by the American Rescue Plan/Inflation Reduction Act) to qualify for the PTC.
- **No Other Coverage:** You are not eligible for minimum essential coverage through an employer-sponsored plan or a government program (such as Medicare or Medicaid).

Calculation Adjustments:

As a self-employed individual, we will apply the iterative calculation required by the IRS to coordinate the Self-Employed Health Insurance Deduction with the Premium Tax Credit. This ensures that the deduction on your Form 1040 (Schedule 1) correctly accounts for any Advance Premium Tax Credits (APTC) received throughout the year.

Next Steps:

Please ensure you provide **Form 1095-A** (Health Insurance Marketplace Statement) as soon as you receive it in January. This form is essential for reconciling your credits on Form 8962 when filing your tax return.

If you experience any significant changes in your income or household size during the year, please notify us immediately, as this may affect your credit amount.

Sincerely,

[Your Name/Firm Name]
[Your Contact Information]