

# THE HEALTH CARE LAW AND YOUR TAXES

WHAT THE AFFORDABLE CARE ACT (ACA) MEANS FOR YOUR FEDERAL TAX RETURN

Almost everyone will need to do something to indicate health care coverage when filing a tax return this year. For each month in the year, everyone must:



**TIP** Get help with free tax prep software through IRS Free File<sup>1</sup> or from a nationwide volunteer tax preparer location.<sup>2</sup>



## Reporting Health Care Coverage

If you had qualifying health care coverage<sup>3</sup> all 12 months, just check the “full year coverage” box on your tax return and leave the entry space blank. That’s it!



OR



## Claiming a Coverage Exemption

If you did not have qualifying health care coverage<sup>3</sup> for all or part of the year, you may qualify for a coverage exemption<sup>4</sup>.

Complete Form 8965 and file it with your tax return.

**TIP** For more information on a specific topic visit [IRS.gov/ACA](http://IRS.gov/ACA).

OR



## Making a Shared Responsibility Payment

For each month in the year that anyone on your return did not have qualifying coverage and did not qualify for an exemption, you may need to make a payment<sup>5</sup> with your tax return.

Calculate your payment using a worksheet from the Form 8965 Instructions and report your payment on your tax return. Tax preparation software can also help you calculate your payment when filing electronically.



## About the Premium Tax Credit

If you purchased coverage from a federal or state marketplace, you may be allowed to claim the Premium Tax Credit<sup>6</sup>.

If you opted for advanced payments of the premium tax credit to help with your monthly insurance premium payments, you must file a tax return to claim the premium tax credit even if you were not otherwise required to file.



You will need Form 1095-A from your marketplace



File Form 8962 to claim the credit and to reconcile your advance credit payments



Include Form 8962 with your 1040, 1040A, or 1040NR

**TIP** If you opted for advance payments of the premium tax credit to help with your monthly insurance payments, your advance credit payments may be more than the premium tax credit you are allowed. If this is the case, you have excess payments that must be repaid through a reduced refund or by making an additional payment when you file your return. Tax preparation software can also help you reconcile and calculate your credit when filing electronically.



For more information about the tax provisions of the Health Care Law, visit [IRS.gov/ACA](http://IRS.gov/ACA).



For more information about the Marketplace, visit [HealthCare.gov](http://HealthCare.gov).

- 1) Free File: Do Your Federal Taxes for Free <http://www.irs.gov/uac/Free-File:-Do-Your-Federal-Taxes-for-Free>
- 2) Free Tax Return Preparation for Qualifying Taxpayers <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>
- 3) Qualifying Health Care Coverage <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Minimum-Essential-Coverage>
- 4) Individual Shared Responsibility Provision - Exemptions <http://www.irs.gov/uac/ACA-Individual-Shared-Responsibility-Provision-Exemptions>
- 5) The Individual Shared Responsibility Provision <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Individual-Shared-Responsibility-Provision>
- 6) The Premium Tax Credit <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/The-Premium-Tax-Credit>