

## Obamacare and Trucking: What You'll Need to File Taxes

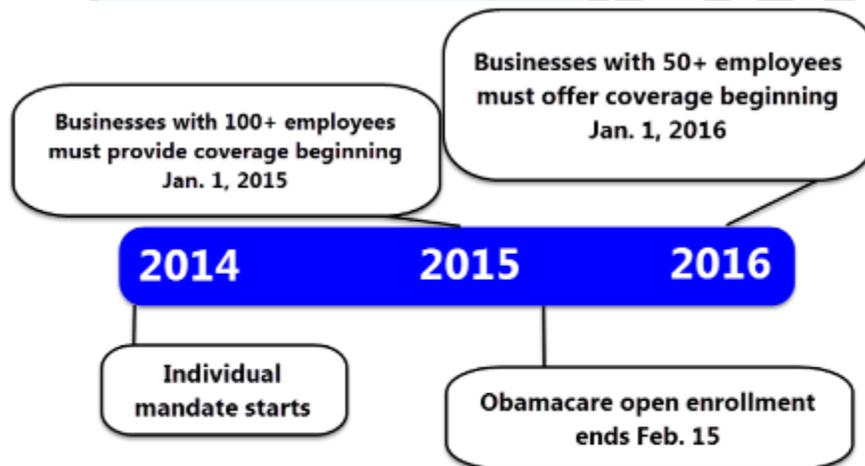
Posted on 18 Feb, 2015 By Jim O'Donnell

The Affordable Care Act (ACA), better known as Obamacare, has been a political tug-of-war for a long time. No matter what side of the fence you're on, you need to learn about the health care law, its impact on your 2014 taxes, and what you'll need to do to comply for next year.

If you didn't have insurance coverage for 2014, you could face a penalty come tax time, and coverage and subsidies can vary by state. I'm going to walk you through some of the details, but the best thing you can do is find a trustworthy tax professional who not only understands Obamacare, but also understands the trucking industry, because the new law affects each carrier differently.

Below is how Obamacare affects owner-operators and businesses both large and small.

### Owner-Operators



### Obamacare Timeline

If you purchased medical insurance directly from an insurance company or if it was provided by your company, nothing changes from last year.

If you purchased insurance coverage on a government exchange, the procedure is more complicated. You will receive Form 1095-A, the Health Insurance Market Place Statement, which will provide information needed to complete your tax return.



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Purchasers of insurance coverage on an exchange may qualify for a tax credit. Many individuals provided income estimates when the insurance was purchased on the exchange. Based on those estimates, a preliminary credit amount was applied to the cost of the insurance. If your income exceeds the earlier estimate, you may have to pay back some of the original credit claimed. This payment is treated as additional tax and is paid when you file your tax return.

If you understood the above, then you should open up your own tax business. For the truly brave, read on.

Like anything involving taxes, there is a somewhat complicated method to compute the penalty based on your income. It is approximately 1% of your income in 2014, and will increase to 2% in 2015.

The penalty is computed on a worksheet included with your return and treated like an additional tax that will increase the amount you owe or decrease your refund. The requirements apply on a month by month basis, so it's possible to have coverage for part of the year and still be subject to a penalty for the months without.

### **Businesses with 100 or More Employees**

This year, companies with 100 or more full time employees (FTEs) are required to provide health insurance coverage, or otherwise pay a fee of \$2,000 per FTE (minus the first 30 FTEs).

The coverage also has to meet what's considered the minimum value. And if it's deemed that the cost isn't affordable for the FTE, the fee for the business is the lesser of \$3,000 per each FTE who received a subsidy to pay for the coverage, or \$2,000 per FTE (minus the first 30).

### **Businesses with Fewer than 50 Employees**

Starting in 2016, companies with 50-99 FTEs will have to meet the same requirements as those with 100 or more, but if you own a trucking company with fewer than 50 employees, you can purchase group health plans for your workers on [Small Business Health Options Program \(SHOP\)](#).

Employers with fewer than 25 employees qualify for tax breaks, and the smaller the business, the better the tax breaks. If you have 25 full-time employees or fewer with an average annual salary less than \$50,000, you can get tax credits to help pay for employee premiums and up to a 50% reduction in the employer's share of the cost of premiums. The amount employers do pay is also tax deductible.

I'm sure this makes everything clear as mud, and unfortunately taxpayers will face the worst levels of service in more than a decade from the Internal Revenue Service this filing season, with as few as 43 percent of callers getting through to an agent and then only after waits of 30 minutes



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or more. Now more than ever, it's critical to take a little extra time to find an accountant or tax preparer who handles OTR drivers and carriers.



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