

IRM PROCEDURAL UPDATE

DATE: 10/28/2014

NUMBER: WI-21-1014-1534

SUBJECT: Health Coverage Tax Credit

AFFECTED IRM(s)/SUBSECTION(s): 21.6.3.4.2.9

CHANGE(s):

IRM 21.6.3.4.2.9 - Clarified when it is appropriate to call the Health Coverage Tax Credit toll-free number.

1. The credit is a refundable credit that will pay for 72.5% (80% for months beginning before Feb. 13, 2011) of eligible health insurance costs of eligible recipients of trade readjustment allowances (paid to workers displaced by trade) as well as eligible recipients of pensions that are being paid at least in part by the Pension Benefit Guaranty Corporation (PBGC).
2. An advance credit option was available for eligible taxpayers allowing them to submit 27.5% of his/her total health insurance costs to the Health Coverage Tax Credit (HCTC) Processing Center, where the remaining 72.5% will be included in the total amount forwarded to his/her insurer.
3. The credit was effective December 01, 2002, thru Dec. 31, 2013.
4. Direct callers as follows:
 - o Callers wanting general information about the HCTC Program should be directed to the program website at www.irs.gov/hctc.
 - o Callers wanting information about insurance plans qualified for the HCTC Program should be directed to the program website at www.irs.gov/Individuals/HCTC:-Eligibility-Requirements-and-How-to-Receive-the-HCTC, and then go to section 3, clicking on the 'qualified health plans' hyperlink.
 - o Callers with eligibility questions, specifically regarding qualified family members, should be directed to the program website at www.irs.gov/Individuals/HCTC:-Information-for-Qualified-Family-Members.
 - o Callers with questions relating to the monthly HCTC should be directed to the program website at www.irs.gov/hctc, for information on program expiration.
 - o Only callers with questions regarding denial of a Form 8885, for themselves or for qualified family members, should call 1-855-379-0440 and leave a message.
5. Form 8885 must be attached to the return or claim.

NOTE: See Form 8885, *Health Coverage Tax Credit*, and the instructions for more detailed information.