



VITA/TCE Volunteer Tax Alert (VTA)

Thank you for volunteering and for your dedication to top **QUALITY** service!

VTA Number	VTA-2015-06
Date Issued	January 29, 2015
Tax Law Topic	Affordable Care Act – Individual Shared Responsibility Provision
Explanation	<p>For each month of the year, taxpayers satisfy the Affordable Care Act's individual shared responsibility provision by either: enrolling in minimum essential coverage (MEC), qualifying for an exemption, or making an individual shared responsibility payment (ISRP). Taxpayers eligible for a coverage exemption must file Form 8965 with their tax return to claim their exemption.</p> <p>This alert provides links to VITA/TCE training materials and additional instructions on correctly reporting MEC, coverage exemptions, and calculating the ISRP.</p>
Intake & Interview Process	<p>To determine if the taxpayer satisfied the individual shared responsibility provision, review the taxpayer's Form 13614-C, Part VI:</p> <ul style="list-style-type: none">• If the taxpayer answered yes to question 1, confirm that the taxpayer, spouse and all dependents <i>each</i> had insurance for the entire year.<ul style="list-style-type: none">○ If so, follow the Publication 4012, <i>Volunteer Resource Guide</i>, decision tree titled: <i>Taxpayer, spouse, and/or dependents had insurance all year</i>. The box on Form 1040, line 61 will be checked when the return is complete.○ If not, follow Pub 4012 decision tree titled: <i>Taxpayer, spouse, and/or dependents had insurance for part of the year</i>. The taxpayer will have either an exemption or Individual Shared Responsibility Payment (ISRP) for any months of the year without insurance coverage.• If the taxpayer answered no to question 1, follow Pub 4012 decision tree titled <i>Taxpayer, spouse, and/or dependents had no insurance all year</i>. The taxpayer will have either an exemption or Individual Shared Responsibility Payment (ISRP) for each month of the year without insurance coverage. Complete the 1040 ACA Worksheet in the TaxWise software to calculate the ISRP. <p>Volunteers should use normal due diligence in determining that an individual had insurance coverage. Oral statements may be accepted and no "proof" or documentation is required. Taxpayers should be advised that they are responsible for the accuracy of the information on their return.</p> <p>Volunteers will need to ask a few questions which are not on Form 13614-C, including:</p> <ul style="list-style-type: none">○ Did the taxpayer receive an exemption from the Marketplace?○ Other questions about the Premium Tax Credit (See VTA on Premium Tax Credit)
Additional Information	<ul style="list-style-type: none">• An updated list of coverage exemptions is available in the Form 8965 Instructions and in Publication 4491X, <i>VITA/TCE Training Supplement</i>. Review Pub 4491X for updated ACA-related worksheets and charts. These can be printed and inserted into your Publication 4012 for use at the site.• There are new tools and guidance available to assist in preparation of returns with coverage exemptions and/or the ISRP. Review the links in the Resources section below.
Resources for ISRP	<ul style="list-style-type: none">• Publication 5157, VITA/TCE Affordable Care Act• Publication 5157A, Affordable Care Act – Taxpayer Scenarios• Publication 4491-X, VITA/TCE Training Supplement• Publication 4012, VITA/TCE Volunteer Resource Guide• IRS Affordable Care Act site• Healthcare.gov• Instructions for Form 8965

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| | <ul style="list-style-type: none">• ITA Tool for ISRP• Lowest cost bronze plan tool• Marketplace account information |
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For additional questions, please talk to your site coordinator, partner, or IRS SPEC relationship manager.