



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

December 19, 2014

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MEMORANDUM FOR DIRECTOR, FIELD EXAMINATION
DIRECTOR, CAMPUS EXAM AND AUR
DIRECTOR, REFUNDABLE CREDITS EXAM
OPERATIONS

FROM: Joseph L. Wilson */s/ Joseph L. Wilson*
Director, Field, Campus Exam and AUR Policy

SUBJECT: Interim Guidance Adding New Standard Paragraph Explanations
for Premium Tax Credit

The purpose of this interim guidance is to add nine new standard paragraphs for **all functions**, which can be used immediately. These paragraphs are for the Premium Tax Credit (PTC). The paragraphs are shown in the attachment.

Please ensure this information is distributed to all affected employees within your organization.

These new standard paragraphs will be incorporated into the next release of the Report Generation Software (RGS). Prior to the RGS update, examiners can insert these paragraphs using the [custom paragraph](#) feature in RGS.

This guidance will be incorporated into IRM 4.10.10, *Standard Paragraphs and Explanation of Adjustments*, by December 19, 2016.

If you have any questions, please contact me or a member of your staff may contact Cathy Demetra, Program Manager, Exam Policy, Field Exam, General Processes.

Attachment (1)

Distribution:

www.IRS.gov

**Attachment – New Standard Paragraphs
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All Functions

Standard Paragraph #8702 – Premium Tax Credit – Missing Form 8962 and PTC claimed

Form 8962, *Premium Tax Credit (PTC)*, is required to support the amount you claimed on your tax return for the premium tax credit. We disallowed the credit and you must repay the advance payments of the premium tax credit, because you didn't file the required form.

Standard Paragraph #8703 – Premium Tax Credit – Missing Form 8962

Form 8962, *Premium Tax Credit (PTC)*, is required to reconcile the advance payments of the premium tax credit made for you. You must repay the advance payments of the premium tax credit because you didn't file the required form.

Standard Paragraph #8704 – Premium Tax Credit – Household income less than 100% FPL

You aren't eligible for the premium tax credit because you reported a household income of less than 100% of the federal poverty level for your family size on Form 8962, *Premium Tax Credit (PTC)*.

Standard Paragraph #8705 – Premium Tax Credit – Form 8962, Part 5, incorrect or incomplete

The information you reported in Part 5 of Form 8962, *Premium Tax Credit (PTC)*, is either incorrect or incomplete. We recomputed your premium tax credit without using the alternative calculation for year of marriage.

Standard Paragraph #8706 – Premium Tax Credit – Form 8962, Part 4, incorrect or incomplete

The information you reported in Part 4 of Form 8962, *Premium Tax Credit (PTC)*, is either incorrect or incomplete. We recomputed your premium tax credit without using the allocation percentages.

Attachment – New Standard Paragraphs
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Standard Paragraph #8707 – Premium Tax Credit – No Health Insurance Marketplace data

We disallowed the premium tax credit you claimed on Form 8962, *Premium Tax Credit (PTC)*, because we couldn't verify that you or anyone listed on your return was enrolled in a qualified health plan through the Health Insurance Marketplace. You must have purchased a qualified health plan from the Health Insurance Marketplace to be eligible for the credit.

Standard Paragraph #8708 – Premium Tax Credit – Health Insurance Marketplace data conflicts with return

The amounts you reported for premiums, second lowest cost silver plan, and/or advance payments of the premium tax credit in Part 2 of Form 8962, *Premium Tax Credit (PTC)*, don't match the information we received from the Health Insurance Marketplace. We recomputed your premium tax credit.

Standard Paragraph #8709 – Premium Tax Credit – Statutory Adjustment to PTC

We recomputed your premium tax credit based on the changes we made to your tax return.

Standard Paragraph #8710 – Premium Tax Credit – Statutory Adjustment to Repayment of Advanced PTC

We adjusted your premium tax credit based on the information we received from the Health Insurance Marketplace. The adjustment to the premium tax credit resulted in a change to the repayment of the advance payments of the premium tax credit.