

IRM PROCEDURAL UPDATE

DATE: 11/04/2020

NUMBER: wi-21-1120-1199

SUBJECT: Failure to Reconcile Advanced Payment of the Premium Tax Credit

AFFECTED IRM(S)/SUBSECTION(S): 21.6.3.4.2.12.8

CHANGE(S):

IRM 21.6.3.4.2.12.8 - Added note about delay in updating APTC reconciliation.

1. The IRS provides filing history, or "flags", to the Marketplace to be used by the Marketplace when determining APTC eligibility. Those "flags" are:
 - o Failure to file (taxpayer hasn't filed a return)
 - o Taxpayer filed an extension
 - o Taxpayer filed but didn't reconcile APTC
2. Each week, IRS compiles posted return data and provides information to the Marketplace upon request. Taxpayers whose return or amended return was not posted prior to the beginning of the weekly update could receive a flag.
3. Taxpayers may contact IRS after receiving notification from the Marketplace that they may not be eligible for APTC. Taxpayers are not advised which flag was triggered, and which of the two latest tax years, or both, could have triggered it. Take the following action:

If	Then
Taxpayer has not filed a return	Advise the taxpayer: <ul style="list-style-type: none">o to file a return and attach a completed Form 8962.o *of return processing time frames and when updated information may be available to the Marketplace
Taxpayer has filed a return, but did not reconcile APTC	Advise the taxpayer: <ul style="list-style-type: none">o to file an amended return and attach a completed Form 8962 <p>EXCEPTION: If the taxpayer received a Letter 12C, see IRM 21.6.3.4.2.12.5, <i>Premium Tax Credit Notice / Letter Responses</i>. Keep in mind letter history may have dropped from CC ENMOD, but CC TRDBV can be used to</p>

	<p>determine if the return was in ERS.</p> <ul style="list-style-type: none"> ○ *of return processing time frames and when updated information may be available to the Marketplace
Taxpayer did reconcile	<p>Determine when the data posted to IDRS and provide an estimate of when updated information may be available to the Marketplace. See Document 6209 for posting cycles.</p> <p>NOTE: If APTC was reconciled on the original return and their Marketplace will accept a transcript as proof, the taxpayer can order a return transcript. If reconciled after the original return was filed, PTC data is not populated on any type of transcript. If the taxpayer requests verification, send Letter 387C, <i>Record of Account</i>, and in the fill-in paragraph provide the APTC and PTC amounts shown in the TOTAL APTC / ADV-PTC-AMT and TOTAL PTC / PTC-AMT fields, the received date of the claim or Form 8962, along with an approximate date the data posted to our system.</p> <p>NOTE: Due to the backlog of unopened mail/unprocessed returns created by COVID-19, account information may not be up to date. Apologize for the delay and advise the taxpayer no action is needed with IRS, however, you should follow-up with your Marketplace.</p>

* Return processing time frames can be found in IRM 21.4.1.4, *Refund Inquiry Response Procedures*.