



Highlights of 2015 Income Tax Changes

Including the Individual Shared Responsibility Payment (ISRP)

2015

IRSNationwide

TaxFORUM





Holiday Rule

- Saturday, Sunday, Holiday Rule
- Emancipation Day
- Patriot's Day

2015

IRSNationwide

TaxFORUM





2015

IRSNationwide

TaxFORUM

ABLE Act

- P.L. 113-295 (H.R. 5771), Division B, Title I – Qualified Able Programs
- Date of Enactment (DOE), December 19, 2014
- Forms 1099-QA and 5498-QA



Form 1099-B

- Changes to boxes and their placement
- Boxes 1a-1g, 2, 12, 14, 15, and 16
- FATCA Filing Requirement
- Wash Sale and Market Discount
- Reporting on Debt Instruments

2015

IRSNationwide

TaxFORUM



Repair Regulations & Form 3115

- Final Regulations Overview
- Safe Harbor Election
- Form 3115
- Simplified Procedure for Small Business
- Revenue Procedure 2015-20

2015

IRSNationwide

TaxFORUM



Extenders

- Individual Provisions
- Business Provisions

2015

IRSNationwide

TaxFORUM



Individual Shared Responsibility



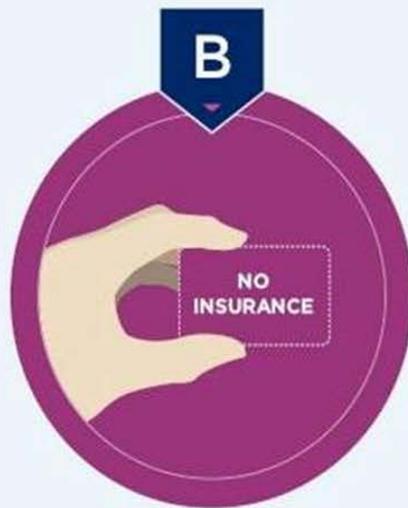
2015

IRSNationwide

TaxFORUM



Report
Health
Care Coverage



Claim
Exemption
from Coverage



Make
Shared
Responsibility
Payment



Reporting Coverage



2015

IRSNationwide

TaxFORUM

	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-		
	57	Self-employment tax. Attach Schedule SE		
Other Taxes	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919		
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		
	60a	Household employment taxes from Schedule H		
	60b	b First-time homebuyer credit repayment. Attach Form 5405 if required		
	61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>		
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)		
	63	Add lines 56 through 62. This is your total tax		
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64	

- ✓ Check box and leave entry space blank if everyone on the return had coverage for the full year



Minimum Essential Coverage

MEC coverage is:

- Offered by an employer, COBRA and retiree coverage
- Purchased through private insurance or Health Insurance Marketplace
- Provided by government-sponsored programs, including veteran's coverage, most Medicare and Medicaid



2015

IRSNationwide

TaxFORUM



Information Statements

- **Marketplace** - Form 1095-A, *Health Insurance Marketplace Statement*
- **Insurers** - Form 1095-B, *Health Coverage*
- **Large Employers** – Form 1095-C, *Employer-Provided Health Insurance Coverage and Offer*



2015

IRSNationwide

TaxFORUM



Form 1095-A



2015

IRSNationwide

TaxFORUM

Form **1095-A**

Health Insurance Marketplace Statement

OMB No. 1545-2232

Department of the Treasury
Internal Revenue Service

► Information about Form 1095-A and its separate instructions
is at www.irs.gov/form1095a.

CORRECTED

2014

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name	
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth	
7 Recipient's spouse's name	8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth	
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)	
13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Part II Coverage Household

A Covered Individual	B Covered Individual	C Covered Individual	D Covered Individual	E Covered Individual
----------------------	----------------------	----------------------	----------------------	----------------------



Form 1095-B



Form **1095-B**

Department of the Treasury
Internal Revenue Service

Health Coverage

► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.

VOID

OMB No. 1545-2252

CORRECTED

56011
2014

Part I Responsible Individual (Policy Holder)

1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (if SSN is not available)
4 Street address (including apartment no.)	5 City or town	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Policy (see instructions for codes):		9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable	

Part II Employer Sponsored Coverage (If Line 8 is A or B, complete this part.)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual(s).)

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage													
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		

2015

IRSNationwide

Tax FORUM



Form 1095-C



Form **1095-C**

Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

VOID

600115

OMB No. 1545-2251

CORRECTED

2014

Part I Employee

Applicable Large Employer Member (Employer)

1 Name of employee		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)	
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code		11 City or town	12 State or province	13 Country and ZIP or foreign postal code	

Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2015

IRSNationwide

TaxFORUM



Form 8965

Health Coverage Exemptions



2015

IRSNationwide

TaxFORUM

Form 8965 Department of the Treasury Internal Revenue Service	<h3>Health Coverage Exemptions</h3> <p>▶ Attach to Form 1040, Form 1040A, or Form 1040EZ.</p> <p>▶ Information about Form 8965 and its separate instructions is at www.irs.gov/form8965.</p>	OMB No. 1545-0074 2014 Attachment Sequence No. 75
Name as shown on return	Your social security number	
<p>Complete this form if you have a Marketplace-granted coverage exemption or you are claiming a coverage exemption on your return.</p>		

Submit Form 8965 with federal tax return to claim coverage exemptions granted by either the Health Insurance Marketplace or IRS



Coverage Exemptions

- Coverage Exemptions only available at filing
- Coverage Exemptions only available through the Marketplace
- Coverage Exemptions from Marketplace or IRS



2015

IRSNationwide

TaxFORUM



Making an Individual Shared Responsibility Payment



2015

IRSNationwide

TaxFORUM

Taxpayers calculate SRP if everyone on the return does not have:

- MEC for every month of the year, or
- Exemption for months without MEC



How is the 2015 Payment Calculated?

- For the year, based on the **greater** of the calculated:
 - percentage of income (2%) **or**
 - flat dollar amount (\$325 per adult)
 - Limited to maximum of \$975 per household
- Prorated for months without coverage/exemption
- Cannot exceed the national average premium for bronze level health plans

2015

IRSNationwide

TaxFORUM



Return Preparer Interview Best Practices

- Use Form 1095-A, B or C to
 - verify coverage months and
 - who is covered
- Determine eligibility for exemption
 - Marketplace ECN
 - Income below return filing threshold or
 - IRS coverage exemptions



2015

IRSNationwide

TaxFORUM



Common Errors

- Eligible for coverage exemption but did not claim
 - Income below filing threshold
 - Not lawfully present
 - Coverage gaps
- Miscalculated SRP
- SRP on dependent returns



2015

IRSNationwide

TaxFORUM



2015: What You Need to Know

- Forms 1095-A, B and C
- Apply for Marketplace exemptions early
- ISRP amounts increase
- 2016 Marketplace enrollment
 - Nov 1, 2015 to January 31, 2016
 - Special Enrollment Periods



2015

IRSNationwide

TaxFORUM



Resources

- [IRS.gov/TaxPros](https://www.irs.gov/TaxPros)
- [IRS.gov/DraftForms](https://www.irs.gov/DraftForms)
- [IRS.gov/ACA](https://www.irs.gov/ACA)
- [HealthCare.gov](https://www.healthcare.gov)
- [IRS.gov/Form8965](https://www.irs.gov/Form8965) (*for info and links to Form 8965 and its instructions*)



2015

IRSNationwide

TaxFORUM