

Sample article for organizations to use to reach customers (577 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers this tax filing season.

Penalty Relief Available for Repayment of Excess Advance Payments of the Premium Tax Credit for 2014

Starting with 2014 tax returns, if you or anyone on your tax return purchased coverage from the Health Insurance Marketplace and received assistance through advance payments of the premium tax credit, you must reconcile the amount of your advance credit payments with the premium tax credit you are allowed on the return. If the advance credit payments were more than the premium tax credit allowed on your return, you may have to pay additional tax when you file your return.

Normally, taxpayers who have a balance due on their tax returns may owe certain penalties for late payments or underpayment of estimated tax. However, to help smooth the process for the first year of the premium tax credit, the IRS will provide relief from these penalties in certain circumstances if you owe a balance due to repayment of excess advance payments of the premium tax credit.

[Notice 2015-09](#) abates the late payment penalties for eligible taxpayers when they have a balance due as a result of excess advance payments of the premium tax credit for Marketplace coverage.

You will need to take the following actions to qualify for this penalty relief:

- **Failure to Pay:** If you are subject to a failure to pay penalty, you will receive a notice and demand for payment in the mail that will include an address for responses. You should submit a letter to that address that includes the statement: “I am eligible for the relief granted under Notice 2015-09 because I received excess advance payments of the premium tax credit.”
- **Penalty for Underpayment of Estimated Taxes:** You should check box A in Part II of [Form 2210](#), *Underpayment of Estimated Tax by Individuals, Estates and Trusts*, complete page 1 of the form, and include the form with your return, along with the statement: “Received excess advance payments of the premium tax credit.” No further action is required.

This relief does not reduce the amount that you owe as repayment of the excess advance payments of the premium tax credit or the interest that accrues from late payment of that amount. It also doesn't extend the April 15, 2015, filing due date. The fastest, easiest and free way to get an automatic six-month extension is through the [Free File](#) link on IRS.gov. In a matter of minutes, anyone, regardless of income, can use

this free service to electronically request an automatic tax-filing extension [Form 4868](#), *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, on or before April 15, 2015. An extension of time to file a tax return does not extend the time to pay taxes — even if you are granted an extension to file your return, your tax payment is due by April 15, 2015. Moreover, filing after April 15, 2015, even with an extension, may limit your ability to receive relief under Notice 2015-9.

This penalty relief for repayment of excess advance payments of the premium tax credit does not affect the payment individuals will pay if they chose not to buy affordable health coverage. Penalties do not apply to underpayment of this [shared responsibility payment](#), although interest will accrue for late payments. IRS will continue to assess the fee without change.

To find out more about the tax provisions of the health care law, visit IRS.gov/aca.
