



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

April 25, 2016

Number: **2016-0034**
Release Date: 6/24/2016

CC:ITA:B04
CONEX-111504-16

UIL: 36B.00-00

Dear _____ :

Thank you for your correspondence concerning taxpayers enrolled in health insurance through a Health Insurance Marketplace who take distributions from a retirement account. You expressed concern that many taxpayers may not understand that the income from the distribution will likely result in repayment of some or all of the advance payments of the premium tax credit paid on their behalf.

You spoke with _____ of my office about your concerns and discussed various ways in which taxpayers could be alerted about potential repayment of advance credit payments before taking the distribution. _____ agreed to look into some of the ideas you discussed.

Thank you very much for your concern and for writing to us about this issue. Please call me or _____ at _____ if you have other concerns or questions about repayments of advance credit payments.

Sincerely,

Michael J. Montemurro
Chief, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)