



# VITA/TCE Volunteer Tax Alert (VTA)

Thank you for volunteering and for your dedication to top **QUALITY** service!

<b>VTA Number</b>	VTA-2015-09												
<b>Date Issued</b>	March 5, 2015												
<b>Tax Law Topic</b>	<b>Affordable Care Act – Premium Tax Credit (PTC) &amp; Special Circumstances (Form 8962 Parts 4 &amp; 5)</b>												
<b>Explanation</b>	<p>The Premium Tax Credit (PTC) is a refundable tax credit for certain people who enrolled, or whose family member enrolled, in a qualified health plan offered through a Marketplace during the tax year. This tax credit can help make purchasing health insurance coverage more affordable for people with moderate incomes. During enrollment, the taxpayer may choose to have advance credit payments sent directly to their insurer to help pay insurance premiums. <b>Taxpayers must file Form 8962 to compute the PTC and reconcile any advance payments on their tax return.</b></p> <p><b>Alert:</b> Due to delays in publishing additional guidance for taxpayers claiming the PTC with special circumstances, including those with shared policy allocations (Form 8962 Part 4), <b><u>returns impacted by Form 8962, Parts 4 and 5, will remain out of scope for the balance of the filing season and volunteers should not prepare these returns.</u></b> This alert provides links to VITA/TCE training materials and additional instructions on correctly claiming and reconciling the PTC.</p>												
<b>Intake &amp; Interview Process</b>	<p>To determine if a taxpayer's return involves Form 8962 (Parts 4 or 5), volunteers will need to ask the following questions which are not all on Form 13614-C, including:</p> <ul style="list-style-type: none"> <li>• Did the taxpayer purchase their insurance from the Marketplace?</li> <li>• Did the taxpayer get married, divorced, or legally separated after purchasing insurance through the Marketplace in 2014?</li> <li>• Is everyone listed on Form 1095-A, Health Insurance Marketplace Statement, Part II (Coverage Household), included in the tax return household (can be claimed as an exemption on the return)?</li> </ul>												
<b>PTC – Special Circumstances</b>	<p>The Internal Revenue Service will be publishing additional guidance in late March for taxpayers claiming the PTC with special circumstances, including those with shared policy allocations (Form 8962 Part 4). Publication 974, Rev. Feb 2015) included guidance on the alternative calculation for year of marriage (Form 8962 Part 5). However, <b><u>because of the delayed guidance, returns impacted by Form 8962, Parts 4 and 5, will remain out of scope for the balance of the filing season and volunteers should not prepare these returns.</u></b></p> <p>Taxpayers with one of the circumstances in the shared policy allocation column, or with all of the elements in the alternative calculation for year of marriage column could be affected:</p> <table border="1"> <thead> <tr> <th>Shared Policy Allocation (Form 8962 Part 4)</th> <th>Alternative Calculation for Year of Marriage (Form 8962 Part 5)</th> </tr> </thead> <tbody> <tr> <td>Taxpayers who got divorced or legally separated in 2014</td> <td>Taxpayer got married in 2014</td> </tr> <tr> <td>Taxpayers filing a separate return from their spouse</td> <td>Taxpayer filing a joint return</td> </tr> <tr> <td>Taxpayer will claim the personal exemption deduction for an individual whom another taxpayer enrolled in a policy</td> <td>Taxpayer, spouse or dependent was enrolled in a qualified health plan before the first full month of marriage</td> </tr> <tr> <td>Another taxpayer will claim the personal exemption deduction for an individual whom the taxpayer enrolled in a policy</td> <td>Taxpayer received an excess advance premium tax credit (APTC) during 2014 that must be repaid</td> </tr> <tr> <td></td> <td>Taxpayer total income less than 400% of federal poverty line</td> </tr> </tbody> </table> <p>For affected taxpayers, volunteers should:</p> <ul style="list-style-type: none"> <li>• Advise the taxpayers that their returns <u>cannot</u> be prepared by the VITA or TCE program this filing season*</li> </ul>	Shared Policy Allocation (Form 8962 Part 4)	Alternative Calculation for Year of Marriage (Form 8962 Part 5)	Taxpayers who got divorced or legally separated in 2014	Taxpayer got married in 2014	Taxpayers filing a separate return from their spouse	Taxpayer filing a joint return	Taxpayer will claim the personal exemption deduction for an individual whom another taxpayer enrolled in a policy	Taxpayer, spouse or dependent was enrolled in a qualified health plan before the first full month of marriage	Another taxpayer will claim the personal exemption deduction for an individual whom the taxpayer enrolled in a policy	Taxpayer received an excess advance premium tax credit (APTC) during 2014 that must be repaid		Taxpayer total income less than 400% of federal poverty line
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	<ul style="list-style-type: none"> <li>• Apologize to the taxpayer for the undue burden imposed on them for return delay</li> <li>• Advise them that a qualified paid tax preparer may be able to assist them with filing.</li> <li>• If circumstances warrant, offer the taxpayer the option to file an extension, <i>Form 4868-Application for Automatic Extension of Time to File</i></li> </ul> <p>*Note: For partners/sites open after the filing season, there will be additional training on these PTC returns with special circumstances, currently planned for late April.</p>
<b>Additional Information</b>	<ul style="list-style-type: none"> <li>• Review Publication 4491X, <i>VITA/TCE Training Supplement</i>, for updated ACA-related worksheets and charts. These can be printed and inserted into your Publication 4012 for use at the site.</li> <li>• There are new tools and guidance available to assist in preparation of returns claiming the PTC. Review the links in the Resources section below.</li> </ul>
<b>Resources for PTC</b>	<ul style="list-style-type: none"> <li>• <a href="#">Publication 5157, VITA/TCE Affordable Care Act</a></li> <li>• <a href="#">Publication 5157A, Affordable Care Act – Taxpayer Scenarios</a></li> <li>• <a href="#">Publication 4491-X, VITA/TCE Training Supplement</a></li> <li>• <a href="#">Publication 4012, VITA/TCE Volunteer Resource Guide</a></li> <li>• <a href="#">IRS Affordable Care Act site</a></li> <li>• <a href="#">Healthcare.gov</a></li> <li>• <a href="#">Instructions for Form 8962</a></li> <li>• <a href="#">ITA Tool for PTC</a></li> <li>• <a href="#">Second lowest cost silver plan tool (SLCSP)</a></li> <li>• <a href="#">Marketplace account information</a></li> </ul>

***For additional questions, please talk to your site coordinator, partner, or IRS SPEC relationship manager.***