



HCTT 2016-08: Getting Ready to File Your Tax Return: Health Coverage Exemptions and Payments

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IRS Tax Tips

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Issue Number: HCTT 2016-08

Inside This Issue

Getting Ready to File Your Tax Return: Health Coverage Exemptions and Payments

The Affordable Care Act requires you and your dependents to have health care coverage, an exemption from the coverage requirement, or make a shared responsibility payment for any month without coverage or an exemption with your return. This law will [affect your federal income tax return](#) when you file this year.

Here are five things you should know about exemptions from the health care law's coverage requirement and the individual shared responsibility payment that will help you get ready to [file your tax return](#).

- You may be eligible to claim an [exemption](#) from the requirement to have coverage and are not required to make a payment. If you qualify for an exemption, you will need to file [Form 8965, Health Coverage Exemptions](#), with your tax return. You can claim most exemptions when you file your tax return. However, you must apply for certain exemptions in advance through the [Health Care Insurance Marketplace](#),
- If you receive an [exemption](#) through the Marketplace, you'll receive an Exemption Certificate Number to include when you file your taxes. If you have applied for an exemption through the Marketplace and are still waiting for a response, you can put "pending" on your tax return where you would normally put your ECN.
- You do not need to file a return solely to report your coverage or to claim a coverage exemption.
If you are not required to file a federal income tax return for a year because your gross income is below your return filing threshold, you are automatically exempt from the shared responsibility provision for that

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year and do not need to take any further action to secure an exemption.

- If you file a tax return and your income is below the filing threshold for your filing status, you should use Part II of Form 8965, Coverage Exemptions for Your Household Claimed on Your Return, to claim a coverage exemption. You should not make a shared responsibility payment if you are exempt from the coverage requirement because you have income below the filing threshold.
- If you do not have qualifying coverage or an exemption for the year, you will need to make an individual shared responsibility payment for each month without coverage or an exemption when you file your return. Examples and information about figuring the payment are available on the IRS [Calculating the Payment](#) page

You or your tax professional should consider preparing and filing your tax return electronically. Using tax preparation software is the easiest way to file a complete and accurate tax return. There are a variety of electronic [filing options](#), including free [volunteer assistance](#), [IRS Free File](#) for taxpayers who qualify, [commercial software](#), and [professional assistance](#).

To learn more, visit the [Reporting and Calculating the Payment page](#) on IRS.gov/aca, or use our interactive tool, [Am I Eligible for a Coverage Exemption or Required to Make an Individual Shared Responsibility Payment?](#)

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