

Affordable Healthcare Act & Taxes = Headaches! (Don't Worry, TaxMagic healthcare tax experts help you get it right!)

It's now a reality, the IRS is now responsible for making sure taxpayers follow the new healthcare tax laws. Your taxes will now include the Premium Tax Credit, Shared Responsibility Payment, Exemptions, and Penalties. In some cases the IRS can collect what you owe them by any means necessary meaning liens and garnishment. So this year it's important to get it right with a tax professional who will make sure to ask all the right questions.

WHAT IF I DON'T HAVE HEALTH INSURANCE DURING 2014?... **CLICK HERE TO SEE IF YOU QUALIFY FOR AN EXEMPTION!**

Any individual or any part of a family that does not have health insurance for more than 90 days in a given year is subject to a penalty that will be paid through their tax return. On this year's taxes the penalty is either 1% of your yearly income minus your filing threshold or \$95 per person for the year, whichever is higher. Add to this, \$48 per dependant who is required to file a tax return. The penalties will increase dramatically each year after.

WHAT IS THE PREMIUM TAX CREDIT?...

If you purchased your health insurance through the marketplace in 2014 you will receive form 1095-A in January. You must wait until you receive this form before filing your taxes. It will be used to calculate the Premium Tax Credit which is a form/line on your tax return that will calculate if you received too much or too little subsidy through the marketplace based on income and household status.

Important ACA Dates & Deadlines

- o November 15, 2014: Open Enrollment starts for coverage in 2015
- o December 15, 2014: Last date to enroll for coverage to start January 1, 2015
- o December 31, 2014: Coverage ends for all 2014 Marketplace plans
- o January 1, 2015: Coverage for 2015 can begin
- o February 15, 2015: Open Enrollment for coverage in 2015 ends
- o April 15, 2015: Last day to file taxes or apply for a 6-month filing extension

If you did not have healthcare coverage starting January 1, 2014, you may not have to pay the tax penalty. Our ACA Exemption Guide can assist you in determining if you qualify for a coverage exemption. If you can prove one of the following coverage exemptions applies to you, your tax penalty may be waived.

- you are a member of a federally recognized Native American tribe
- you participate in a health care sharing ministry
- you are a member of a recognized religious sect with religious objections to health insurance
- you are incarcerated
- you are an undocumented immigrant to this country
- you are unemployed and without coverage less than 3 months during the year
- you have very low income and coverage is considered unaffordable for you (amount to pay for coverage would cost you more than 8% of your income)
- you do not file a tax return because your income is too low (in 2014, \$10,000 for individuals and \$20,000 for a family)
- if your income is up to 133% of the Federal Poverty Level (\$15,521 for singles; \$31,721 for a family of four – in the 48 contiguous states and DC, higher in Hawaii and Alaska – source: familiesusa.org)
- if you would qualify for Medicaid under the new income limits, but your home state has chosen not to expand Medicaid
- if you qualify for a hardship exemption