

The Affordable Care Act (ACA) and its Possible Effects on You and your Tax Return

We know you have a choice when choosing a tax professional, and we want to thank you for your business! We wanted inform you how the Affordable Care Act (ACA), sometimes also referred to as Obamacare, may impact all of us this tax season.

The ACA created the new **Premium Tax Credit** and the **Individual Responsibility Payment** that may affect your tax return this season.

More Complex Tax Returns

The entire filing process will be more complicated this year, with every tax return to now include new provisions related to health insurance. This year, many taxpayer returns will contain additional forms related to health care coverage. Tax returns will be more complicated and will take more time and expertise to complete.

Possible Reduced Refunds

The new Individual Responsibility Payment will be assessed by the IRS against taxpayers who do not indicate on their return that they either had health care coverage throughout 2014, and do not qualify for an exemption from the health care coverage requirement. This new payment amount is collected by the IRS as part of the new ACA law starting with 2014 returns. As a result, if the IRS subjects you to this payment amount, your refund may be less than you expected, or less than you received in past years.

Additionally, the IRS may adjust your refund (either up or down) if you currently receive health insurance through the Marketplace (sometimes also referred to as Obamacare) but the IRS determines that the information on file at the Marketplace is incorrect.

Who is Affected?

All taxpayers across the country are subject to the requirements of new ACA law. The federal government urges all consumers receiving coverage through the their federal or state Marketplace to report "life changes" that can affect their coverage as soon as the changes take place (such as changes in marital status, income, number of dependents, where you live, or disability status). The government urges you to report these changes so that insurance adjustments can be made immediately and tax refunds not affected as much.

Your Tax Professional's Assistance

Now, more than ever, it benefits you to have the assistance of a tax professional familiar with the changes, laws, and tax forms associated with ACA. Your Tax Professional is here to assist you with the proper tax forms and with questions and problems that may arise.

You can find additional information on ACA online at IRS.gov.