



In what is possibly the most incredibly ridiculous announcement ever for ACA compliance the IRS on Monday reached a new low in understanding how and when tax returns are actually prepared and filed by professionals. Even I am overwhelmed on this one-I keep waiting to wake up!

News flash IRS-we prepare 100+ million tax returns from 1/20-4/15. We follow the rules. We rely on the forms that must be provided to taxpayers in a timely manner and then we work 70, 80 and even 90 hour weeks to get the returns done in time, all the while knowing we are facing a summer battle of ridiculous CP-2000 notices that are wrong 90% of the time. And now this. Read on.

Taxpayers are required to have qualified health insurance in 2015 or face a potential penalty nearly 400% larger than 2014's penalty in some cases. Proof of insurance is provided on the 1095 form series which is required to prove the insurance and which is supposed to be reported to the IRS for matching purposes. Practically speaking all preparers must obtain copies of Form 1095-A, B or C to prove insurance or face a potential penalty for lack of due diligence.

On December 28, 2015 the IRS released [IRS Notice 2016-04](#) which delays the provision of Form 1095-B & C to taxpayers until March 31, 2016 for tax year 2015.

Yes you read that correctly-this affects the returns we will be preparing starting next week! They also announced employees may rely on information from their employer to file the returns. Applicable large employers are required to provide Form 1095-C proof of insurance to taxpayers in order to file their 2015 tax returns. Your choices as a practitioner appear to be: wait until April 1 to start filing returns; take the taxpayer's word for it and go ahead and file; or protect yourself as a professional as discussed below.

So let's see-taxpayers have to have insurance or face a penalty. Taxpayers don't know what they have but check the box that says they have insurance. Then we file the return. Then we get a CP-2000 notice (or not?) because who knows if any matching program will be working-I would guess not, or else we will face a year of CP-2000 notices the likes of which we have never seen before.

Oh by the way ACA was passed nearly 6 years ago and we still can't figure this out? Crayola Corporation must be making record profits with this group of crayon eating morons passing rules that state "1095 preparers are unable to get it done in time" These window lickers apparently have

decided it is better to delay 250 million US tax returns to benefit a few businesses then to enforce the law written 6 YEARS AGO!

Our 2014 1040 manual provided a statement we suggest that every taxpayer sign stating that they have qualifying insurance for themselves, their spouses and dependents. We provide it again below now, modified and updated for 2015 returns. *Or you could wait until April 1, 2016 to start filing 2015 returns!*

ACA Requirement to Have Health Insurance

In March, 2010 President Obama signed the Affordable Care Act. One provision of the Act required that in 2015 all Americans must have qualified health insurance or face a “Shared Responsibility Payment” more commonly known as the Health Care Penalty. In order to remind you of the rules and to protect us both from future IRS liability in the event of an audit, we require all individual taxpayers for 2015 to positively affirm the following items related to Health Care. Please initial the applicable items and sign the bottom of the affirmation.

___ 1. We have provided you with all copies of Forms 1095-A, 1095-B, and 1095-C we received.

___ 2. We did not receive all Forms 1095-A because we have alternate government provided qualified health care insurance from Medicare, Medicaid, or Tri-Care that covers all members of our household. **Enter N/A if not applicable.**

___ 3. We have qualified employer-provided health insurance for the entire year for our entire household.

___ 4. We have qualified other health insurance we purchased directly from an agent or insurance company for the entire year which covers our entire household.

In the event you do not have qualified health insurance for the entire year for your entire household, please provide us with the following information regarding insurance coverage for all members of your household. In the absence of the completion of items 1-4 above or item 5 below, and the absence of your providing us with information regarding an exemption from the requirement to provide health insurance we will calculate the penalty and include it with your return.

Name

Period of Coverage

Insurer

Signature 1

Signature 2

BY: (Print Names)

Date

Date

