

## Health Coverage and Tax Returns

The IRS will not reject tax returns just because a taxpayer has not indicated on the return whether the taxpayer had health insurance, was exempt, or made a shared-responsibility payment under Sec. 5000A.

Sec. 5000A, enacted as part of PPACA, requires taxpayers who do not maintain minimum essential health coverage for each month of the year and who do not qualify for an exemption **to pay a shared-responsibility payment with the filing of their Form 1040, U.S. Individual Income Tax Return.**

This year, the IRS had put into place systems that were designed to reject returns that did not provide the information. **As a result of the executive order, the IRS has suspended that practice and will allow returns without that information to be processed.** The IRS also says it is studying the executive order to determine what other action it must take to comply.

As the IRS pointed out, the requirement for taxpayers to make shared-responsibility payments under PPACA if they do not have health insurance or an exemption is statutory and cannot be changed without legislation. Therefore, until legislation repealing the requirement is enacted, taxpayers who do not have insurance or an exemption must pay the shared-responsibility payment. **The IRS suggested that, although it would process returns without the information or payments, it will nonetheless issue follow-up correspondence after it has completed processing the returns.**