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THE TAX LAWYER

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Don't File Taxes Early, Wrong Tax Statements Sent, Admits Obama Administration

If you thought the fears of identity theft made you want to file taxes *early* this year, think again. I previously said there are [7 Reasons Not To File Your Taxes Early, Even If You'll Get A Refund](#). But there's at least one more, and it is a big and embarrassing one. The Obama administration has [announced](#) that roughly 800,000 bad tax statements were sent.

Yes, that is the new health care tax form, IRS Form 1095-A. You need it to calculate how much tax you owe. HealthCare.gov sent these forms out to millions of consumers receiving coverage through the federal insurance market that serves most states. Maybe it is a success that many of those forms were OK? That's one way to spin it, but if 800,000 are wrong, that's a slight problem.

Think of these Forms 1095-A like a Form W-2 for health care. They provide a month-by-month accounting of the subsidies consumers received to help pay their health care premiums. This is the latest in long string of snafus in the Affordable Care Act. More and more, the massive and expensive law is looking burdensome to millions of Americans. Independently, this has already been a bad tax season opener, with new and widespread fears about tax fraud and identity theft. The [FBI is investigating fraudulent tax returns filed through TurboTax](#).



In past years, it seemed stressful to collect your Forms W-2 and 1099, and discover you are [missing a Form 1099](#) or K-1. This year makes the usual stresses seem like the good old days. President Obama's [Buzzfeed video](#) asked for more healthcare insurance signups. To help that effort, there have been repeated delays and extensions to collect more people. Many democrats in Congress are pushing for more extensions.

Although the culprit this time is incorrect Forms [1095-A Health Insurance Marketplace Statement](#), there are related tax forms. Consumers also need a [Form 8962 Premium Tax Credit](#), and [Form 8965 Health Coverage Exemptions](#). Forms 1095-A and 8962 are for people who bought health coverage through the Marketplace. Form 8965 is for those who got a [Marketplace](#) coverage exemption or plan to claim an exemption.

Do not file your tax return with the wrong information. Some people already did, of course, and you just have to wait if that's your situation. But if you are affected and haven't yet filed, the government has announced that you will get a corrected Form 1095-A and will be notified. In March. That's right, this needs to be sorted out and that will take time. You can try calling 1-800-318-2596 or [go online](#), but it is likely to be very frustrating.

There is a similar (though seemingly independent) problem in California, impacting 100,000 or so Californians. Meanwhile amid discussions of extensions of time and grace periods for people to sign up seem a little embarrassing. The IRS has its own problems and a very big job to do apart from administering the hydra that Obamacare has become.

Obamacare was pitched as a health care overhaul law that for many would be a tax cut. The U.S. Supreme Court upheld the law as a tax law. Yet our already Byzantine tax system seems to be at a breaking point, including this [full list of taxes provisions from the IRS](#), and the [joint tax committee on the Affordable Care Act](#).

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