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Wrong Obamacare Form Tax Filers Get Relief From IRS

The recent news that there were [800,000 incorrect tax forms](#) sent out under the Affordable Care Act was bad. Like a Form W-2, the incorrect Forms 1095-A are needed by tax filers. Reports said that approximately 50,000 of the affected people had *already* filed their income tax returns with the IRS.

That meant amending the tax returns even though it wasn't their fault they filed on the wrong information. Conventional wisdom says that amended tax returns are more likely to be examined, so that was an additional worry. But now the IRS says if you filed based on the bad information, you don't have to amend your taxes after all. That's right, [early Obamacare tax filers get a break](#).



The 800,000 incorrect Forms 1095-A were sent not by the IRS but by the Centers for Medicare and Medicaid Services, part of HHS. The CMS urged people to hold off on filing their taxes until they

get new corrected forms. But the IRS wants to make it easy. If you filed early based on the bad form and received a larger premium tax credit than you should have, you can keep it.

Conversely, if you are entitled to a *bigger* credit, you can amend if you like. The new Form 1095-A still won't come until March. Of course, there are also numerous extensions of time to sign up for coverage, including in many states.

Form 1095-A is similar to a Form W-2 for health care. The form provides a month-by-month accounting of the subsidies consumers received to help pay their health care premiums. The [impact](#) for 50,000 people who already filed their tax returns based on the HHS error has just be vastly reduced. In fact, now it is a kind of one-way street that benefits the taxpayer.

Unfortunately, the 750,000 people who were sent erroneous form but who *haven't* yet filed their taxes are being told to wait until the corrected forms arrive in March. One of the big new issues this filing season is the impact of the Affordable Care Act. Although sign-ups for health insurance have proceeded apace, in a [Buzzfeed video](#) President Obama himself tried to drum up interest in additional healthcare insurance sign-ups.

To help that effort, there have been repeated delays and extensions to collect more people. And then there is tax compliance. In addition to Form [1095-A Health Insurance Marketplace Statement](#), consumers may 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.

It is clearly best not to not file your tax return with the wrong information. 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. This needs to be sorted out and that will take time. You can try calling 1-800-318-2596 or use the [Healthcare.gov Tax Tool](#).

There was a similar problem in California, impacting 100,000 or so Californians. The IRS has its own problems and a very big job to do apart from administering Obamacare. For [full list of related tax provisions from the IRS](#), as well those detailed by the [joint tax committee on the Affordable Care Act](#).

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