

Accu-Facts

By Accu-Tax, Inc.

Volume 54

Largo, Florida – Monday, November 3, 2014 – 1 page

Exceptions to the Health Insurance Rules

You will remember this tax season that I took copies of your health ins cards to “prove” that you had coverage all year. (if you don’t remember this then make a copy of your card and fax, mail, email it to me for the file).

The reason I did this was on the 2014 Return there is going to be a question: Did this taxpayer have health insurance all year? If not, calculate his penalty.

If you can prove that spending money on insurance would cause you a hardship you may apply for an exemption to this penalty. This is all new to both taxpayers and preparers and the system is still being set up so the instructions are sketchy at this point B U T as I understand it: there will be a couple of exemptions I will be allowed to use as I prepare the return (no clues as yet what they are), then there are the exemptions that will be approved by the EXCHANGE rep. These exchange exemptions are what I’m talking about now.

You have to contact the Exchange and get them to approve the exemption EARLY. You have to present me with the “Exemption Certificate Number” when I

prepare the return.
I am prevented from applying for this exemption on your behalf.

Getting this exemption number takes 2-3 weeks.

I have included a link here to get the application for the Market Place Exemption. The list of what qualifies for THIS exemption is on page 2. There are OTHER exemptions but as of this writing they are not available to me. The Market Place should be aware of other situations that might apply to you.

<https://marketplace.cms.gov/applications-and-forms/hardship-exemption.pdf>

Forced Withholding

Employers: be aware IRS is sending out notices to employers that a particular employee doesn’t qualify for the exemption to withholding. IF your EE has listed “Exempt” on his W-4 and later his return shows that he does indeed owe taxes, then IRS will be informing the ER that this EE should have withholding taken out of his paycheck. If you get this notice, discuss it with the EE, have him complete a new W-4 for the correct amount and start to withhold taxes.

Kid’s Tax Returns Needed

Getting back to the Obamacare penalty, part of the “affordability” calculation is to see if the family could afford the premiums paid. To that end the teenager’s Burger King W2 will come in to play. I need you to bring in your kids’ returns that you filed yourself to add his W2 from Burger King to the family income... Oh Yeah!

Online Poker = Foreign Account

Remember during tax Season when I made such a fuss about having a foreign account & registering it with Homeland Security?

Well, this year IRS went after a taxpayer who was an online poker player. The government stated that the accounts were “digital constructs” of financial institutions that are located in foreign countries where the money is actually located.

They got the guy for \$30,000 for 2006 & \$10,000 for 07. They decided not to pursue the Willful neglect penalty. THEY ARE NOT KIDDING HERE. If this applies to you please let me know this coming year.