

## Tips to Avoid Unnecessary APTC Repayment

TaxSlayer recently introduced a new question on the premium tax credit:

### Advanced Premium Tax Credit (1095-A)

Did you receive a 1095-A statement or any Premium Tax Credits to assist you in paying for your health care for 2016? \*

Yes

No

Are you required to repay all of the Excess APTC Received?

Yes

No

**Answer NO in most cases.**

**Only answer YES if the tax return:**

- Shows income over 400%
- Includes an undocumented individual who received APTC
- Has a person who was eligible for the Trade Adjustment Assistance Health Care Tax Credit (HCTC)

APTC repayment is capped, by income, for most taxpayers.

This question is really asking: is the taxpayer liable for unlimited APTC repayment? **The answer is almost always NO.** The repayment cap applies to the vast majority of taxpayers.

REPAYMENT LIMITS ON APTC (TY2016)		
Income (% FPL)	SINGLE taxpayers	OTHER taxpayers
Under 200%	\$300	\$600
200% – 300%	\$750	\$1,500
300% – 400%	\$1,275	\$2,550
400% & above	None	None

**Only answer YES if the tax return:**

- Shows income over 400%.** And, in fact, no matter how you answer this question, TaxSlayer will automatically force full repayment if the taxpayer is over-income.
- Includes an undocumented individual who received APTC.** This should be extremely rare since the Marketplace verifies immigration status at enrollment. Remember, you can't make an assumption that someone who has an ITIN is automatically ineligible for the credit. Some people with ITINs have valid, lawful immigration statuses and are eligible for the PTC. Also, an ineligible person may still claim the PTC for eligible family members. So on this question, if everyone who received PTC is lawfully present or a citizen, answer NO. If everyone who received PTC is undocumented, answer YES, and, when entering the amounts from Form 1095-A, leave the premium and SLCS blank; only enter the APTC. If Form 1095-A shows coverage for both people who were undocumented and those who were lawfully present or citizens, consult IRS Publication 974 to determine the appropriate repayment limit. This cannot be done in TaxSlayer.
- Has a person who was eligible for the Trade Adjustment Assistance Health Care Tax Credit (HCTC),** which is out of scope for VITA.

*Exceptions are outlined in the Form 8962 Instructions, Line 28*

**In all other cases, the answer to this question is No.** The repayment cap will apply when a person is ineligible for PTC due to an employer offer of coverage, has a filing status of married filing separately, or any other reason not listed above.

**Bottom line:**

This question could easily lead to unnecessary repayment! You'll typically answer No. As part of review, double check Form 8962, Line 28 and Form 1040, Line 46 (Excess APTC) to make sure the repayment cap is applied correctly.