

IRS: Disclose health care coverage on return

Agency won't process tax returns of filers who fail to answer question.

By Dan Mangan

CNBC via USA Today

The IRS is warning tax professionals that it will block or suspend processing of 2017 income tax returns that do not comply with Obamacare rules requiring filers to disclose their health insurance status.

The new move to tighten Americans' compliance with the Afford-

able Care Act comes even as the Trump administration takes steps to undercut it.

"Taxpayers remain obligated to follow the law and pay what they may owe at the point of filing," the IRS said in a description of the new policy.

The ACA requires most people to have some form of health insurance coverage or pay a tax penalty – a requirement known as Obamacare's individual mandate.

That penalty is the higher of 2.5 percent of adjusted gross household income or \$695 per

adult and \$347.50 per child under age 18.

The agency, in an online notification to tax professionals, said that in the upcoming tax filing season "the IRS will not accept electronically filed tax returns where the taxpayer does not address the health coverage requirements of the Affordable Care Act."

"Returns filed on paper that do not address the health coverage requirements may be suspended pending the receipt of additional information and any refunds may be delayed," the IRS said.

Income tax returns contain a

box that asks filers if they had health coverage during the year.

If they indicate they did not have coverage, filers must indicate on what grounds they are exempt from the mandate or say they will pay and then calculate the penalty for not complying.

The IRS said it will not accept electronically filed returns until a tax return addresses those points.

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