



Written by [Michael Tennant](#) on March 24, 2015

80,000 Taxpayers Still Waiting for Corrected ObamaCare Tax Forms

A month after it first revealed that over [800,000 Americans had received incorrect ObamaCare tax forms](#) — and less than a month before the deadline for filing 2014 income-tax returns — the Obama administration announced that it still has not sent corrected tax forms to about 80,000 people.

On February 20, the administration disclosed that roughly 820,000 people who had enrolled in ObamaCare exchange coverage last year were sent Internal Revenue Service (IRS) form 1095-A, the Health Insurance Marketplace Statement, with one box filled incorrectly. That form is used to complete form 8962, the Premium Tax Credit form, which determines the health-insurance subsidies to which the taxpayer is entitled. An incorrect entry on form 1095-A, therefore, could lead to an incorrect subsidy calculation on form 8962, leading the taxpayer to believe he is entitled to a larger or smaller subsidy than is actually the case and throwing off his entire tax return. (It's not as if taxpayers need anything else to confuse them: As Senator Orrin Hatch (R-Utah) [pointed out](#) recently, "These two forms combined have 99 new lines for entry and 16 new pages of instructions.")

According to the [Washington Examiner](#), "Officials attributed the error to a software coding issue."

At the time the error was announced, the administration said it expected to have corrected forms sent out by the first week of March. However, by the end of the third week of March (March 20), it stated that about 80,000 corrected forms had yet to be dispatched.

"Republicans pounced on the news, arguing it showed the burdens the Affordable Care Act is placing on families during tax season," reported [The Hill](#). "They also said it showed the administration was having trouble administering its own law."

About 50,000 recipients of the incorrect forms had already filed their tax returns before the error was made public. With the additional delay in sending out corrected forms, others likely have filed with the





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wrong subsidy calculation as well.

“We don’t know how many have already filed,” Mark Mazur, assistant Treasury secretary for tax policy, told reporters. “We think it’s a relatively small number.”

Whatever the number, the administration isn’t taking any chances on more bad public relations. It has declared that anyone who filed using an incorrect form 1095-A need not refile and may keep any excess subsidies calculated using the erroneous form. Those who find they would get larger subsidies under the corrected form will probably want to refile.

Despite the delay in mailing the corrected forms, the administration hasn’t yet extended the tax-filing deadline of April 15, but Mazur “did note that the administration could change its mind closer to the deadline,” wrote the *Examiner*.

That would hardly be unprecedented. The administration has changed plenty of other ObamaCare deadlines whenever enforcing them would have been bad politics. Just recently, fearing a backlash over penalizing people for not having insurance and then not giving them a chance to buy any, it opened a special exchange-enrollment period for those who paid the individual-mandate penalty for 2014 and had not enrolled in exchange coverage for 2015. But taxpayers already have the option of getting an automatic six-month filing extension if they submit a request to the IRS before April 15; and that, combined with the decision not to require those filing with incorrect ObamaCare forms to refile, lessens the urgency for a blanket extension of the statutory deadline.

All taxpayers, not just those getting exchange coverage, must inform the IRS of their 2014 coverage or lack thereof. The majority will simply check a box stating that they had health insurance through their employer. Some, such as American Indians and those with specified hardships, will indicate that they obtained an exemption from the individual mandate (assuming they did so). The rest will have either to show that they had coverage or to pay a fine.

However, there is a way for the less scrupulous taxpayer to avoid the penalty even if he didn’t have insurance last year. “This year the government is basically taking citizens at their word that they have insurance through an employer,” noted the *Examiner*. “There is no employer reporting of insurance so the Internal Revenue Service won’t be able to match an individual’s statement against an employer’s records, Mazur said,” though he was careful to remind taxpayers that they would have to prove they had such coverage if they are audited.

And so the ObamaCare follies continue apace. Stay tuned for the next exciting installment in this spectacle of bureaucratic bungling.





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