



“Form OBMA” Added to Tax Forms for 2014?

Americans for Tax Reform (ATR) [has created a form](#) that likely won't differ much from the real one from the IRS showing up in the mailboxes of the 140 million taxpaying Americans in 2014: It'll be complicated, intrusive and will take still more time to complete. And, [according to ATR](#), it will result in at least six million of those Americans paying a penalty for non-compliance.



In January, health insurance companies will begin sending out tax documents containing essential information about each American's health insurance coverage which then must be properly and accurately inserted into “Form OBMA.” There will be questions like “What type of qualifying health insurance plan were you covered by?” “Did your employer offer affordable qualifying coverage?” “Were you able to purchase affordable health insurance?” “Are you claiming a religious exemption from the individual responsibility mandate?” and (perhaps tongue-in-cheek) “Are you an illegal immigrant and therefore exempt from the personal mandate?”

But if Americans will be frustrated and confused and angered by yet another form to complete for the IRS, the view from inside the IRS is scarcely any better. Computer problems [delayed tax refunds this year](#) by the amount of \$20 billion which, combined with the increase in the payroll tax, have been blamed for causing Walmart's sales in February to turn in their [worst performance in seven years](#).

The ongoing scandal over the “conservative charity targeting” by the IRS isn't helping any. More than 60,000 applications for tax-exempt status were received early in 2010 following the Supreme Court's decision in *Citizens United* that caused delays — up to 27 months in some cases — in obtaining approvals, especially among applications which had “Tea Party” or “Patriots” in their titles. As a result, the esteem and regard with which Americans hold the IRS [continues to decline](#).

Computer problems at the IRS go back at least 25 years, to the late '80s when the [agency attempted to upgrade](#) its early-'60s databases and provide paperless tax return processing. After spending \$4 billion of taxpayers' money, the IRS did not achieve its goal. At the time, the Government Accounting Agency (GAO) said that the IRS was “doing or planning to do many of the right things.” But then in what must have qualified at the time for the understatement of the year, GAO Assistant Comptroller Gene Dodaro added: “Unfortunately, some of the areas ... will take many years to see improvement.”

And so they have. In 2010 William Jackson, [writing in federal technology journal FCW](#), said that the IRS' new [Customer Account Data Engine](#) (CADE) had also failed to meet its objective:

After over 5 years and \$400 million [more taxpayer dollars], CADE is only processing about 15 percent of the functionality originally planned for completion by 2012. [Emphasis added]

Further, the expected completion date had been pushed out to at least 2018 and “possibly as late as 2028.”

By that time, CADE will be obsolete as Moore's Law continues its inexorable march forward, bringing down the cost of information management in the private sector ever lower.



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The added responsibility of accounting for ObamaCare's 47 mandates that will roll out over the next two years will so overload the IRS' information technology as possibly to cause some serious reflection and rethinking about government-run healthcare. As Ryan Ellis, ATR's tax policy director, [noted last month](#):

This tax season's Keystone Kops buffoonery has made it abundantly clear that the IRS is in no position to take on even a small number of these 47 enforcement mechanisms.

It's borderline indefensible, for example, that this year the IRS wasn't fully prepared to accept tax returns until March. Reports have surfaced for years that IRS computers are woefully behind the times. The IRS toggles back and forth between different types of e-file acceptance, delaying refunds.

Anyone who has tried calling the IRS's 800 number during tax season knows what long delays they can expect. Recently, the D.C. Circuit Court ruled that the IRS crossed the line in trying to regulate seasonal "unenrolled" preparers. The list of missteps goes on and on.

The federal government's confidence in the IRS as its chief enforcer of ObamaCare nevertheless remains undaunted. According to Ellis:

It's this very same IRS that the Obamacare law envisions as the primary enforcer of the new healthcare regime.

It will be the IRS's job to determine whether you or your family purchased "qualifying" health insurance in the past year.

It will be the IRS's job to deliver an advanced and refundable tax credit to insurance companies on behalf of millions of Americans, and to reconcile all these numbers when those same Americans try filling out their confusing tax forms.

If your faith precludes the purchase of health insurance, it will be up to the IRS to ratify that creed.

It gets worse. Not only is the IRS woefully inadequate to handle the demands already placed on it, ObamaCare mandates that the IRS share its taxpayer information with the Social Security Administration and the Department of Health and Human Services. If it can't keep up with its own internal demands, how is it going to cope with those?

Even the Treasury Department sees trouble ahead. That department's inspector general testified last week that this additional load "is unprecedented in recent history.... This is going to lead to problems."

The problems could be much greater than an innocent taxpayer just trying to get a straight answer to a simple question out of the IRS. As ObamaCare is forcibly implemented by the IRS, the question must be asked: Will those innocent taxpayers continue to take these incursions and flagrant violations of personal privacy lying down, or will they force their elected representatives to end the madness of government-run healthcare and let those innocents make their own healthcare decisions in the private market? And, along the way, will they not also begin to ask the most important question of all: Why does the IRS exist in the first place? If the country had no federal income tax (as was the case prior to 1913), it would have no IRS.

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