

## Health Care Tax Credits on the Line in October 15 Deadline

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### **Two Weeks Left for Taxpayers Who Filed an Extension; Failure to File Endangers Health Care Tax Credit**

KANSAS CITY, MO -- (Marketwired) -- 10/01/15 -- Taxpayers who filed an extension have just two weeks left to file their 2014 tax returns by the October 15 deadline. Their failure to meet the upcoming deadline could mean failure-to-file and failure-to-pay penalties, as well as losing future health care tax credit they would otherwise be eligible for and repaying any health care credit they received for 2014. The [government estimates 1.8 million households](#) face these health care related consequences.

#### ***Failure-to-pay and failure-to-file penalties for all***

The penalty for not paying in full is 0.5 percent of the unpaid balance per month with a maximum of 25 percent. The monthly penalty for not filing a tax return is 10 times that amount and capped at a maximum of 25 percent. For example, the failure to pay penalty starts at just \$5 per month for someone who owes \$1,000. But the failure to file a return starts at \$50 per month.

"Taxpayers who couldn't meet the April 15 deadline and filed for an extension did the right thing. That extension saved them the 5 percent failure-to-file penalty, but only until October 15," said Kathy Pickering, executive director of The Tax Institute at H&R Block. "Now they must file their returns to avoid this penalty and other potential consequences."

#### ***Health care credit in jeopardy for exchange enrollees***

The Treasury Department estimated last month that 1.8 million households have not filed the tax forms necessary to keep their eligibility for the advance premium tax credit (APTC). The APTC helps taxpayers pay their premiums for health insurance purchased through a state or federal exchange or marketplace. The marketplace uses the tax return to [determine whether a taxpayer qualifies](#) to continue receiving the APTC next year. Health insurance open enrollment starts November 1, 2015.

Of the 1.8 million households, most either had not filed a 2014 tax return at all or had omitted the necessary new tax form. Only 360,000 had filed an extension.

"Just a fraction of the 1.8 million households who risk losing their eligibility for the APTC had filed for an extension by last April. This could indicate that the vast majority of the 1.8 million are unaware that their health care tax benefits are in jeopardy. Unless they take action, they will not receive assistance paying their 2016 health care premiums -- assistance they relied on in the past to get their families health coverage and avoid tax penalties for being without insurance," said Mark Ciaramitaro, vice president of H&R Block taxes and health care services.

#### ***Assistance and resources for taxpayers***

Taxpayers who want to learn more about the status of their eligibility for health care tax benefits or who need help filing a tax return should call 1-800-HRBLOCK or [find a local H&R Block office](#). Taxpayers can also learn more at the [Affordable Care Act tax impact website](#) or at [www.hrblock.com](http://www.hrblock.com).

#### ***About H&R Block***

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 680 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2015, H&R Block had annual revenues of nearly \$3.1 billion with 24.2 million tax returns prepared worldwide. Tax return preparation services are provided by professional tax preparers in approximately 12,000 company-owned and franchise retail tax offices worldwide, and through H&R Block tax software products. H&R Block also offers adjacent Tax Plus products and services. For more

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For Further Information

Gene King

816-854-4287

[mediadesk@hrblock.com](mailto:mediadesk@hrblock.com)

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