



HCTT-2015-16: How You Can Benefit from the Premium Tax Credit

Internal Revenue Service (IRS) sent this bulletin at 03/10/2015 12:39 PM EDT



IRS Tax Tips March 10, 2015

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How You Can Benefit from the Premium Tax Credit

If you purchase Health Coverage through the Marketplace, you might be eligible for the premium tax credit. The law bases the size of your premium tax credit on a sliding scale. Those who have a lower income get a larger credit to help cover the cost of their insurance. In other words, the higher your income, the lower the amount of your credit.

You will figure your credit on [Form 8962](#), Premium Tax Credit (PTC). You must complete this form to claim the premium tax credit and reconcile any advance credit payments with the premium tax credit you are eligible to claim on your return. [Form 1095-A](#), Health Insurance Marketplace Statement, which you will receive from your Marketplace, provides information you will need when completing Form 8962.

Additionally, the premium tax credit is a refundable tax credit. This means that if the amount of the credit is more than the amount of your tax liability, you will receive the difference as a refund. If you owe no tax, you can get the full amount of the credit as a refund.

However, if you receive advance payments of the credit, you will reconcile the advance payments with the amount

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of the actual premium tax credit that you calculate on your tax return. If your actual allowable credit on your return is less than your advance credit payments, the difference, subject to certain caps, will be subtracted from your refund or added to your balance due. If your actual allowable credit is more than your advance credit payments, the difference will be added to your refund or subtracted from your balance due.

Remember that filing electronically is the easiest way to file a complete and accurate tax return. Electronic Filing options include [free Volunteer Assistance](#), [IRS Free File](#), [commercial software](#) and [professional assistance](#).

For more information, visit the [Premium Tax Credit page](#) on IRS.gov/aca.

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