

## Entering ACA Exemptions

If you think the taxpayer could be eligible for an exemption from the Shared Responsibility Payment, consult page H-15 in your Pub 4012.

### Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2017, including information about where each can be obtained and the code that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, you will need to enter the Exemption Certificate Number (ECN) provided by the Marketplace. For additional detail about the eligibility rules for the coverage exemptions that are claimed on the tax return, see the Instructions for Form 8965.

Coverage Exemption	Granted by Marketplace	Claimed on tax return	Code for Exemption
<b>Income below the filing threshold</b> — Your gross income or your household income was less than your applicable minimum threshold for filing a tax return		✓	No Code See Part II
<b>Coverage considered unaffordable</b> — The required contribution is more than 8.16% of your household income		✓	A
<b>Short coverage gap</b> — You went without coverage for less than 3 consecutive months during the year. There is a look-back rule for gaps of coverage at the start of the year. See the Instructions for Form 8965 for details.		✓	B
<b>Citizens living abroad and certain noncitizens</b> — You were: <ul style="list-style-type: none"><li>• A U.S. citizen or resident who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months;</li><li>• A U.S. citizen who was a bona fide resident of a foreign country or countries for an uninterrupted period</li></ul>			

In the Healthcare section of the return, you will answer the first several questions according to the taxpayer's situation. If you are applying for an exemption that takes into account the total tax household income, you will need to enter on this screen the AGI for any dependents who had a filing requirement. (You should read this page carefully and fill in any amounts from the 1040 of the dependent that apply.) You do not need to enter any amounts in the first box on this page if you are not specifically applying for the affordability exemption, which is addressed in a separate document.

Practice Lab

2017

Help & Support | QUINCY PIKE ▾

### Household Income

BACK CONTINUE

\$1,044  
FEDERAL AMOUNT DUE  
N/A  
REFUND AMOUNT

Enter any premium amount paid through a salary reduction agreement that is excluded from gross income. (Note: This entry is included in the Affordability Threshold when determining affordability if applicable. This information is unnecessary if you will not be completing the affordability worksheets.)

\$|

Dependents' Modified AGI (if filing requirement)

Enter the AGI for your dependents from Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 3; and Form 1040NR, line 37

\$

Enter any tax-exempt interest for your dependents from Form 1040, line 8b; Form 1040A, line 8b; Form 1040EZ, the amount written to the left of the line 2 entry space; and Form 1040NR

Collapsible menu:

- Enter the Form Number...
- Basic Information
- Federal Section
- Health Insurance
- State Section
- Summary/Print
- e-File
- 2017 Amended Return
- Save & Exit Return
- Help & Support
- Save & Exit Return

If you already have an exemption certificate number from the Marketplace **or** if you are applying for an exemption on the return, you will select yes on this next screen.

Practice Lab      2017 | Help & Support      AUSTIN DRAKE ▾

## Health Care Exemption Certificates

**\$1,535**  
Federal Amount Due

N/A  
Refund Amount

**!** You do not qualify to claim the coverage exemption for household or gross income below the filing threshold, but if you received exemption certificates or can claim another coverage exemption, answer Yes below and then continue.

Did you qualify for an exemption due to circumstances or receive an exemption certificate from the marketplace? \*

Yes  
 No

[Click here](#) to determine if you can claim a health coverage exemption.

[Back](#)      [Continue](#)

Taxpayers can have exemptions for the whole year or part of the year, and they can be eligible for multiple exemptions covering different months of the year. You will need to enter each exemption separately for each individual. If, for example, an individual is eligible for one exemption for 3 months and a different exemption for the remaining 9 months of the year, you would separately enter the exemptions for that individual (and elect on this screen the months to which each exemption applies).

Practice Lab      2017 | Help & Support      QUINCY PIKE ▾

## Health Care Exemption

**\$1,044**  
FEDERAL AMOUNT DUE

N/A  
REFUND AMOUNT

Name of Individual \*  
- Please Select -

Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? \*

Yes  
 No

Exemption Type on the return  
-- Please Select --

Indicate full year or specify months for which you qualify to take the exemption. (Note: Selecting "Coverage is Unaffordable" above will prompt the Affordability Worksheet when continuing)

Full Year

<input type="checkbox"/> January	<input type="checkbox"/> February	<input type="checkbox"/> March	<input type="checkbox"/> April
<input type="checkbox"/> May	<input type="checkbox"/> June	<input type="checkbox"/> July	<input type="checkbox"/> August
<input type="checkbox"/> September	<input type="checkbox"/> October	<input type="checkbox"/> November	<input type="checkbox"/> December

If you are entering an exemption certificate number (ECN), click Yes and enter the ECN. (If the ECN is only six digits and the software requires you to enter seven digits, enter a 0 in front of the ECN.)

Practice Lab

2017 |

Help & Support AUSTIN DRAKE

## Health Insurance/Exemption

Name of Individual \*

AUSTIN DRAKE

Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? \*

Yes  
 No

Exemption Certificate Number (enter PENDING if applying or applied for)

Indicate full year or specify months for which you qualify to take the exemption.

Full Year

<input checked="" type="checkbox"/> January	<input checked="" type="checkbox"/> February	<input checked="" type="checkbox"/> March	<input checked="" type="checkbox"/> April
<input checked="" type="checkbox"/> May	<input checked="" type="checkbox"/> June	<input type="checkbox"/> July	<input type="checkbox"/> August
<input type="checkbox"/> September	<input type="checkbox"/> October	<input type="checkbox"/> November	<input type="checkbox"/> December

If you are applying for an exemption on the return, click No and choose the exemption from the dropdown menu. If you are unsure which exemption applies, refer back to H-15 in the 4012.

Practice Lab

2017 |

Help & Support AUSTIN DRAKE

## Health Insurance/Exemption

Name of Individual \*

AUSTIN DRAKE

Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? \*

Yes  
 No

Exemption Type on the return

-- Please Select --

- Coverage is unaffordable
- Short gap in coverage
- Citizens living abroad and certain noncitizens
- Member of health care sharing ministry
- Member of Federally-recognized Indian tribe
- Incarceration
- Aggregate self-only coverage considered unaffordable
- Resident of a state that did not expand Medicaid
- Member of tax household born, adopted, or died
- Eligible for health coverage tax credit

Indicate full year or specify months for which you qualify to take the exemption.

Full Year

<input checked="" type="checkbox"/> March	<input checked="" type="checkbox"/> April
<input type="checkbox"/> July	<input type="checkbox"/> August
<input type="checkbox"/> September	<input type="checkbox"/> October
<input type="checkbox"/> November	<input type="checkbox"/> December

After entering all exemptions, you'll want to double-check this screen to make sure all exemptions for all individuals have been entered correctly.

**A note on exemption code C:** individuals with DACA status are considered undocumented for purposes of Marketplace health insurance enrollment eligibility and therefore are eligible for code C to avoid the shared responsibility payment. DACA status is indicated through category code C33 on the employment authorization card.

For other individuals who have a valid employment authorization card and restricted social security card (or if the employment authorization document application/renewal was pending), the person is subject to the shared responsibility payment if he/she was without health insurance. If the taxpayer's employment authorization card was expired, he or she could be eligible for exemption code C.

Name of Individual	Type
LUKAS PIKE	C

**\$1,044**  
FEDERAL AMOUNT DUE  
N/A  
REFUND AMOUNT

You should also check page 1 of the 1040 and Schedule 4 to make sure they correctly reflect any coverage, exemptions, and applied shared responsibility payment.

Form 1040 Department of the Treasury—Internal Revenue Service (99) 2018 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status:  Single  Married filing jointly  Married filing separately  Head of household  Qualifying widow(er)

Your first name and initial	Last name	Your social security number
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind		
If joint return, spouse's first name and initial	Last name	Spouse's social security number
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien		

Full-year health care coverage or exempt (see inst.)

SCHEDULE 4  
(Form 1040)

Department of the Treasury Internal Revenue Service

Other Taxes

► Attach to Form 1040.  
► Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074  
2018  
Attachment Sequence No. 04

Name(s) shown on Form 1040	Your social security number
<b>Other Taxes</b>	
57 Self-employment tax. Attach Schedule SE . . . . .	57
58 Unreported social security and Medicare tax from: Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58
59 Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required . . . . .	59
60a Household employment taxes. Attach Schedule H . . . . .	60a
b Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required . . . . .	60b
61 Health care: individual responsibility (see instructions) . . . . .	61
62 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960	62