

## Tax News & Views Health Care Edition

### Affordable Care Act reporting requirements for employers quickly approaching

As a result of the Patient Protection and Affordable Care Act of 2010, employers and health insurers will soon be required to provide information to the IRS and covered individuals regarding health insurance coverage. Applicable large employers – those with 50 or more full-time employees, including full-time equivalent employees – will be required to file information returns with the IRS and also provide statements to employees about the health coverage offered. Information reporting was voluntary for calendar year 2014. Information reporting is required for calendar year 2015, with returns for all employers due in early 2016. The information from employers will be provided on Form 1095-C, *Employer Provided Health Insurance Offer and Coverage*.

Applicable large employers should take action now to determine the kind of health insurance coverage offered to full-time employees and dependents (if any) and to identify the list of full-time employees for each month during 2015. Monthly tracking is necessary because the information reported on Form 1095-C includes:

- Information about the health coverage offered by month, if any,
- The employee's share of the monthly premium for lowest-cost self-only minimum value coverage,
- Months the employee was enrolled in coverage,
- Months the employer met an affordability safe harbor, and
- If the employer offers a self-insured plan, information about the covered individuals by month.

The Form 1095-C will provide information to the IRS and the employee. The employee will use the Form 1095-C when filing their personal tax return. The IRS will use the Form 1095-C to determine if the employer owes an employer shared responsibility payment. The form also helps the IRS determine whether the full-time employees and their dependents are eligible for the premium tax credit.

The IRS recently issued two new publications (Publication [5196](#) and [5215](#)) to provide employers and health insurers with additional information about the reporting requirements.

### TIGTA issues report on the processing of certain tax-exempt applications

The Treasury Inspector General for Tax Administration (TIGTA) recently issued a [report](#) which stated that the Internal Revenue Service (IRS) has taken significant actions to improve the processing of tax-exempt applications involving political campaign intervention. The new report is a follow-up to a May 2013 TIGTA report which found that ineffective IRS management resulted in 1) inappropriate criteria being used to identify for review organizations applying for tax-exempt status based on names and policy positions instead of indications of political campaign intervention, 2) substantially delayed processing of certain applications, and 3) unnecessary information requests being issued.

The recent report indicates that the IRS has taken significant actions to eliminate the selection of potential political cases based on names and policy positions, expedite processing of Internal Revenue Code (IRC) Section 501(c)(4) social welfare organization applications, and eliminate unnecessary information requests. The report also includes two new recommendations to the IRS, which were agreed to by the IRS in their response to the report. First, TIGTA recommended that the IRS take action to improve the timing and execution of future employee training on political activities. Second, if the optional expedited self-certification process for IRC Section 501(c)(4) organizations becomes a permanent process, the IRS should consider providing this option to additional organizations with similar political campaign intervention limitations.

### Did you know?

#### Hospital groups suggest withdrawal of charitable hospital rule regarding provider list

The final regulations under IRC Section 501(r) mandate that a charitable hospital's financial assistance policy must list the providers, other than the hospital facility itself, delivering emergency or other medically necessary care in the hospital facility and specify which providers are covered by the hospital facility's financial assistance policy and which are not. The Association of American Medical Colleges (AAMC) and American Hospital Association (AHA) recently submitted comments to the IRS and Department



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of Treasury requesting the withdrawal of the requirement to include the provider list in the financial assistance policy. According to AAMC and AHA, the requirement is extraordinarily burdensome for hospitals and will not provide patients with information they need.

#### **Correction to final regulations under Section 501(r)**

The Department of Treasury issued [corrections](#) to final regulations (T.D. 9708) that were published on December 31, 2014 which provide guidance regarding the requirements for charitable hospital organizations. The regulations address requirements under Section 501(r) and the information reporting requirements for hospitals under Section 6033. As originally written, the final regulations required hospitals to report certain information regarding the community health needs assessment and implementation strategy for tax returns filed after December 29, 2014. However, the regulations have been corrected to say the reporting requirements will be effective for "returns filed for taxable years ending after December 29, 2014."

#### **Deloitte Thoughtware**

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Resolving cases with the IRS, including the process of moving a case from compliance into Appeals, can be slow and inefficient. As a way to potentially expedite the resolution of issues, the IRS has implemented several alternative dispute resolution programs. Gain a better understanding of the various alternative dispute resolution programs that may be available to taxpayers and how each program differs from the traditional Appeals process.

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##### ***Global Equity Compensation for Mobile Employees: Emerging Trends, Challenges, and Approaches* June 3, 2:00 PM ET**

Many domestic and multinational businesses have equity compensation programs for their executives and employees. What potential issues and opportunities are associated with those programs as they apply to mobile employees, both on short-term and long-term assignments? Explore effective ways of addressing the challenges of equity comp for globally mobile employees.

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### *The Base Erosion and Profit Shifting Initiative: Individual Country Approaches* June 16 2:00 PM ET

Even in advance of its finalization, the OECD's BEPS initiative is already influencing local country tax legislation. These changes have caused, and could cause more, significant controversy around pricing of intercompany transactions resulting in structural changes to financing global operations and treasury functions. The initiative's finalization may produce greater demands on already constrained tax department resources. Gain valuable insights on this important initiative.

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## Tax Executives

### *Global Tax Compliance and Statutory Accounting Reporting: Considerations for a Transformed Approach* June 18, 2:00 PM ET

Responding to increased complexity, transparency requirements, and risk, some multinational companies are reviewing their approach to global tax compliance and reporting. What should you know? Explore effective new approaches to global tax compliance and reporting.

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## Financial Executives Financial Reporting for Taxes

### *Current Tax Accounting Challenges and Recent Legislative, Standard-setting, and Regulatory Developments* June 29, 2015, 2:00 PM ET

Current tax accounting challenges, tax legislation updates, standard-setting developments, and regulatory matters can impact a company's financial accounting and reporting of income taxes. What are the latest changes that may affect your organization, and what financial reporting matters may be important for you to consider? Gain valuable insights on the latest developments and their impact on financial reporting for taxes.

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## Contacts

Please contact your local Deloitte Tax LLP provider for more information on our services.

### Fran Bedard — Nashville

[fbedard@deloitte.com](mailto:fbedard@deloitte.com)

+1 615 259 1811

### Lori Boyce — Detroit

[lboyce@deloitte.com](mailto:lboyce@deloitte.com)

+1 313 396 3324

### Jeff Frank — Indianapolis

[jdf Frank@deloitte.com](mailto:jdf Frank@deloitte.com)

+1 317 656 6921

### Margaret Grinnell — Chicago

[mgrinnell@deloitte.com](mailto:mgrinnell@deloitte.com)

+1 312 486 9025

### William Homer — Philadelphia

[whomer@deloitte.com](mailto:whomer@deloitte.com)

+1 215 299 4642

### Christine Kawecki — Jericho

[ckawecki@deloitte.com](mailto:ckawecki@deloitte.com)

+1 516 918 7138

### Frank Neczypor — Boston

[fneczypor@deloitte.com](mailto:fneczypor@deloitte.com)

+1 617 437 2728

### Diana McCutchen — Costa Mesa

[djmccutchen@deloitte.com](mailto:djmccutchen@deloitte.com)

+1 714 436 7702

### Mary Rauschenberg — Chicago and Washington National Tax

[mrauschenberg@deloitte.com](mailto:mrauschenberg@deloitte.com)

+1 312 486 9544

### Steve Rovner — Tampa

[srovner@deloitte.com](mailto:srovner@deloitte.com)

+1 813 273 8355

### John W. Sadoff, Jr. — Atlanta

[jsadoff@deloitte.com](mailto:jsadoff@deloitte.com)

+1 704 887 1810

### Jim Sowar — Cincinnati

[jsowar@deloitte.com](mailto:jsowar@deloitte.com)

+1 513 784 7242

### Yvette Woods — McLean

[ywoods@deloitte.com](mailto:ywoods@deloitte.com)

+1 703 251 1420

### Sharon Zorbach — San Jose

[szorbach@deloitte.com](mailto:szorbach@deloitte.com)

+1 408 704 2063

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