

Exemptions: Overview

Exemptions: Where do I start?

**STEP
1**

Does anyone in the tax household already have an exemption in hand from the Marketplace?

Marketplace exemptions require an application. If a person applied for an exemption through the Marketplace (or if they were granted an exemption because they were denied Medicaid coverage in a state that did not expand Medicaid), they should have received an Exemption Certificate Number (ECN) from the Marketplace. It is a 6 or 7 digit alphanumeric code.

**STEP
2**

Is household or gross income under the filing threshold?

If yes, everyone on the tax return is exempt from the coverage requirement, and there is no need to consider additional exemptions. Line 7 on Form 8965 is used to claim an income-based exemption. See page ACA-8 for more information about this exemption.

**STEP
3**

If the tax household does not qualify for an exemption under Step 2, does any individual qualify for an exemption that can be claimed directly on the tax return?

If yes, the exemption code is entered on Form 8965, Part III.

**STEP
4**

For any uninsured individual that does not qualify under Step 2 or 3, does any individual in the tax household qualify for an exemption from the Marketplace?

If yes, direct the person to the Marketplace for additional help. Enter “pending” as shown on the following page if the Marketplace has not processed the application for exemption before the return is filed. A tax return with a “pending” exemption can still be e-filed. The IRS may follow up with a taxpayer directly on a pending submission if the Marketplace does not approve the exemption.

Entering Exemptions in TaxSlayer

If any individual in the household qualifies for an exemption, either through the Marketplace or claimed on the tax return, select Yes:

Do you qualify for Health Care Exemptions?

Did you receive an exemption certificate from a marketplace, or qualify for exemptions due to circumstances? *

☒ Yes

☐ No

[Click here](#) to determine if you can claim an affordability exemption.

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

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[✓ Continue](#)

If **selected Yes for Exemptions in question above AND** if the household or gross income is under the filing threshold (as described in Step 2, above), check this box. If not, select Continue.

Coverage Exemptions

Does the following apply to your household?

☐ Are you claiming a hardship exemption because your gross income is below the filing threshold?

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[✓ Continue](#)

For all other exemptions, indicate the individual, the type of exemption (and Marketplace-issued certificate number, if applicable) and the months of eligibility:

Health Insurance/Exemption

Name of Individual *

Sample Return

Do you have a marketplace-issued certificate for this exemption? *

No

Exemption Type

-- 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

Gap in coverage at the beginning of 2016

Gap in CHIP coverage

Resident of a state that did not expand Medicaid

Limited benefit Medicaid and TRICARE programs that are not minimum essential coverage

Employer coverage with non-calendar plan year beginning in 2015

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

Full Year

January

February

May

June

September

October

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Enter “Pending” if the Marketplace has not processed the application for exemption before the return is filed:

Health Insurance/Exemption

Name of Individual *

Sample Return

Do you have a marketplace-issued certificate for this exemption? *

Yes

Exemption Certificate Number

Pending

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

Full Year

January

February

March

April

May

June

July

August

September

October

November

December

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