



Rhode Island Department of Revenue

Division of Taxation

ADV 2021-06
HEALTH INSURANCE MANDATE

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
FEBRUARY 18, 2021

Tips for tax season: Health insurance mandate

Avoid any processing delays by filing a complete and accurate return

PROVIDENCE, R.I. – When you fill out your Rhode Island personal income tax return this year, don't forget Rhode Island's health insurance mandate.

The Rhode Island Division of Taxation provides the following tips and reminders – for tax preparers and for do-it-yourself taxpayers – on how to fill out Rhode Island personal income tax returns when it comes to the health insurance mandate.

Tip # 1: Check the box

If you (and your dependents, if applicable) had sufficient health insurance coverage for all of 2020, you won't be subject to the mandate's penalty – but you must remember to check the box on the front of your return to show that you had that coverage for all of 2020. Otherwise, the processing of your return – and of any associated refund – will be delayed. You don't need to fill out Form IND-HEALTH ("Individual Health Insurance Mandate Form"), and you don't have to fill out the associated worksheet ("Shared Responsibility Worksheet"), but you must check the box (see screenshot below).

12 a USE/SALES tax due from RI Schedule U, line 4 or line 8, whichever applies 12a

b Individual Mandate Penalty (see instructions). Check to certify full year coverage. X 12b

13 a TOTAL RI TAX AND CHECKOFF CONTRIBUTIONS. Add lines 10a, 10b, 11, 12a and 12b..... 13a

Tip # 2: Fill out the form

If you (or your dependents, if applicable) did not have sufficient health insurance coverage for all of 2020, do not check the box above, but you must fill out Form IND-HEALTH (see screenshot).

State of Rhode Island Division of Taxation
Form IND-HEALTH
Individual Health Insurance Mandate Form

20106299990101

Name _____ Social security number _____

Coverage Exemption Reasons and Codes			
Income Below Filing Threshold	NC	Aggregate Self Only Coverage Considered Unaffordable	G1

Form IND-HEALTH is important mainly because that's where you indicate if you (or any dependents, if applicable) have an exemption from the mandate's penalty – and it's where you show the months for which the exemption applied. If you don't fill out Form IND-HEALTH, or you don't fill it out correctly, the processing of your return – and of any associated refund – will be delayed, and you may trigger the mandate's penalty.

Example: Joseph Taxpayer qualifies for the "Income Below Filing Threshold" exemption, which uses the code "NC". He qualifies for the exemption for every month of the year. He enters his name and Social Security number on the form. Unfortunately, he enters the "NC" code only for the month of January – and forgets to enter the "NC" code for all of the remaining months of the year (see screenshot below). As a result, the processing of his return – and of any associated refund – is delayed. He may even trigger the health insurance mandate's penalty.

Incorrect

The screenshot shows a form for Joseph Taxpayer with Social Security Number 123-45-67. A red box highlights the 'Jan' column where 'NC' is entered, while all other months (Feb-Dec) are empty. A red arrow points to the 'Jan' header.

Name: Joseph Taxpayer		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number: 123-45-67	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020	NC											

Example: The circumstances are the same as in the example above. But in this example, Joseph Taxpayer correctly enters the "NC" code for every month of the year (see screenshot below). As a result, the processing of his return – and of any associated refund – is not delayed (assuming he has filed a complete and accurate return), and he is not subject to the health insurance mandate's penalty.

Correct

The screenshot shows the same form for Joseph Taxpayer, but now 'NC' is entered in every month column from Jan to Dec. A green oval highlights the entire row of month entries, and a green arrow points to the 'Dec' header.

Name: Joseph Taxpayer		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number: 123-45-67	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC

Tip # 3: COVID-19 exemption

Some taxpayers qualify for the "COVID-Related Hardship" exemption, which uses the code "19". But that exemption can only be used for certain months of the year – April through December.

If you qualify for the COVID-related hardship exemption for all nine months, but you enter code 19 on Form IND-HEALTH for only one month, the processing of your return – and of any related refund – will be delayed, and you may even trigger the health insurance mandate's penalty.

Example: Wendy Waitstaff had sufficient health coverage from her restaurant job in January 2020 through April 2020. In May of 2020, her employer downsized operations in response to the coronavirus (COVID-19) pandemic.

Wendy lost her job and did not have health coverage for the remainder of 2020. Unfortunately, she entered no code for the months of January through April; entered the COVID-related hardship exemption's code 19 for only one month – May of 2020; and entered no code for the remaining months of the year. As a result, the processing of her return – and of any associated refund – is delayed. She may even be assessed the health insurance mandate's penalty.

Incorrect

Name: Wendy Waitstaff		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number: 123-45-67	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020					19							

Example: The circumstances are the same as in the example above. But in this example, Wendy correctly enters the code "X" for the months of January through April to indicate that she had sufficient health insurance coverage for those months.

She also correctly enters the COVID-related hardship exemption code 19 for each month from May through December, showing that the hardship exemption applies for her for each of those months. As a result, the processing of her return – and of any associated refund – is not delayed (assuming she has otherwise filed a complete and accurate return), and she is not subject to the health insurance mandate's penalty.

Correct

Name: Wendy Waitstaff		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number: 123-45-67	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020	X	X	X	X	19	19	19	19	19	19	19	19

The Rhode Island Division of Taxation office is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>

Note: The health insurance mandate is also known as the individual mandate or health coverage mandate. The mandate applies only to Rhode Island residents, not to nonresidents. For part-year residents, the mandate applies only for the months during which they were Rhode Island residents. The term "sufficient health insurance coverage" as used in this Advisory means "minimum essential coverage". The mandate's penalty is technically a tax, which goes by the following name: "shared responsibility payment penalty". In general, the maximum penalty is \$695 per person. To learn more: <http://www.tax.ri.gov/taxforms/personal.php>.