



Instructions for Form 1099-H

Health Coverage Tax Credit (HCTC) Advance Payments

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1099-H and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099h.

What's New

Truncating recipient's identification number on paper recipient statements. Pursuant to Treasury Regulations section 301.6109-4, all filers of this form may truncate a recipient's identification number (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on recipient statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's identification number may not be truncated on any form. See part J in the 2016 General Instructions for Certain Information Returns.

HCTC extended and modified through 2019. The Trade Preferences Extension Act of 2015 (Public Law 114-27), enacted June 29, 2015, extended and modified the expired HCTC. Previously, those eligible for the HCTC could claim the credit against the premiums they paid for certain health insurance coverage through 2013. The modified HCTC can now be claimed for coverage from 2014 through 2019. For the latest information on the HCTC, go to www.irs.gov/HCTC.

Online fillable form. Due to the very low volume of paper Forms 1099-H received and processed by the IRS each year, this form has been converted to an online fillable format. You may fill out the form, found online at www.irs.gov/form1099h, and send Copy B to the recipient. For filing with the IRS, follow your usual procedures for filing electronically if you are filing 250 or more forms. If you are filing this form on paper due to a low volume of recipients, **for this form only**, you may send in the black and white Copy A with Forms 1096 that you print from the IRS website.

Reminder

General instructions. In addition to these specific instructions, you should also use the 2016 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).

- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions at www.irs.gov/form1099h.

Specific Instructions

File Form 1099-H if you received any advance payments during the calendar year of qualified health insurance payments for the benefit of eligible trade adjustment assistance (TAA), Alternative TAA, Reemployment TAA, or Pension Benefit Guaranty Corporation (PBGC) pension recipients and their qualifying family members.

Who Must File

Section 6050T requires that if you are a provider of qualified health insurance coverage (defined in section 35(e)) and you receive advance payments from the Department of the Treasury on behalf of eligible recipients pursuant to section 7527, you must file Forms 1099-H to report those advance payments. You must also furnish a statement reporting that information to the eligible recipient.

Statements to Recipients

If you are required to file Form 1099-H, a statement must be furnished to the recipient. See part J in the 2016 General Instructions for Certain Information Returns.

Box 1—Amount of HCTC Advance Payments

Enter the total amount of advance payments of health insurance premiums received on behalf of the recipient for the period January 1, 2016, through December 31, 2016. The amount received in 2016 cannot exceed 72.5% of the total health insurance premium for the individual.

Box 2—No. of Months HCTC Payments Received

Enter the number of months payments were received on behalf of the recipient. This number cannot be more than 12.

Boxes 3 Through 14—Amount of Advance Payment(s) Included in Box 1

Enter the amount of the advance payment received for each month in the applicable box. You may receive these payments prior to the month for which they are paid. Be sure to enter the amounts in the correct box.