



# Instructions for Form 1099-H

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

## What's New

**Truncating payee identifying number on paper payee statement.** Notice 2011-38 allows filers of this form to truncate an individual payee's identifying number (social security number (SSN), individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN)) on paper payee statements for tax years 2011 and 2012. See part M in the 2012 General Instructions for Certain Information Returns.

## Reminder

In addition to these specific instructions, you should also use the 2012 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 IRS.gov, or by calling 1-800-TAX-FORM (1-800-829-3676).

**Future developments.** The IRS has created a page on IRS.gov for information about Form 1099-H at [www.irs.gov/form1099h](http://www.irs.gov/form1099h). Information about any recent developments affecting Form 1099-H (such as legislation enacted after we release it) will be posted on that page.

**Copy 1.** Form 1099-H includes Copy 1, which is provided to recipients by the IRS Health Coverage Tax Credit (HCTC) Transaction Center. Copy B must be provided to recipients by all other filers.

## Specific Instructions

File Form 1099-H, Health Coverage Tax Credit (HCTC) Advance Payments, if you received in the course of your trade or business any advance payments during the calendar year of qualified health insurance payments for the benefit of eligible trade adjustment assistance (TAA), Reemployment TAA, or Pension Benefit Guaranty Corporation (PBGC) recipients and their qualifying family members.

### Who Must File

Section 6050T requires that if you are a provider of qualified health insurance coverage (section 35(e)) you must file Forms 1099-H with the IRS reporting the advance payments that you receive from the Department of the Treasury on behalf of

eligible individuals. You must also furnish a statement to the eligible recipient.

However, Notice 2004-47, 2004-29 I.R.B. 48, available at [www.irs.gov/irb/2004-29\\_IRB/ar11.html](http://www.irs.gov/irb/2004-29_IRB/ar11.html), provides that the HCTC Transaction Center, as an administrator of the Health Coverage Tax Credit (HCTC), will file the required returns and furnish statements to the recipients unless you elect to file and furnish information returns and statements on your own. Contact the HCTC Transaction Center for this purpose by calling 1-866-628-4282. Unless you notify the HCTC Transaction Center of your intent to file information returns and furnish statements, you will be considered to have elected to have the Transaction Center file Form 1099-H and furnish statements to recipients in satisfying section 6050T filing requirements.

## Statements to Recipients

If you are required to file Form 1099-H, a statement must be furnished to the recipient. You or the Transaction Center, if elected, must furnish a copy of Form 1099-H or an acceptable substitute statement to each recipient. Also, see part M in the 2012 General Instructions for Certain Information Returns.

## Penalties

**Waiver of penalties.** Section 6724(a) authorizes the IRS to waive any penalties under sections 6721 and 6722 for failure to comply with the reporting requirements of section 6050T if such failures resulted from reasonable cause and not willful neglect. If you elect to allow the HCTC Transaction Center to file and furnish Forms 1099-H, the IRS will not assess the penalties imposed by sections 6721 and 6722 regarding the reporting of advance payments made to you. If you do not elect to allow the HCTC Transaction Center to file and furnish Forms 1099-H, the general rules for seeking a penalty waiver under section 6724(a) apply. See Regulations section 301.6724-1.

For more information on penalties, see part O in the 2012 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, 2012, through December 31, 2012. The amount received in 2012 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.