



OVERVIEW

On December 22, 2017, the Internal Revenue Service (IRS) issued Notice 2018-06 to:

- Extend the due date for furnishing forms under Sections 6055 and 6056 for 2017 for 30 days, from Jan. 31, 2018 to March 2, 2018; and
- Extend good-faith transition relief from penalties related to 2017 information reporting under Sections 6055 and 6056.

Notice 2018-06 does not extend the due date for filing forms with the IRS for 2017. The due date for filing with the IRS under Sections 6055 and 6056 remains Feb. 28, 2018 (April 2, 2018, if filing electronically).

ACTION STEPS

The IRS is encouraging reporting entities to furnish statements as soon as they are able. No request or other documentation is required to take advantage of the extended deadline.

HIGHLIGHTS

- The deadline for furnishing individual statements under Sections 6055 and 6056 for 2017 has been extended for 30 days.
- Good-faith transition relief from penalties related to 2017 information reporting under Sections 6055 and 6056.
- The due date for filing returns with the IRS for 2017 is not affected.

IMPORTANT DATES

- **March 2, 2018**
Deadline for furnishing 2017 Forms 1095-B and 1095-C to individuals.
- **February 28, 2018**
Deadline for 2017 filing with the IRS in paper form.
- **April 2, 2018**
Deadline for 2017 filing with the IRS electronically.



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Section 6055 and 6056 Reporting

Sections 6055 and 6056 were added to the Internal Revenue Code (Code) by the Affordable Care Act (ACA).

- Section 6055 applies to providers of minimum essential coverage (MEC), such as health insurance issuers and employers with self-insured health plans. These entities will generally use Forms 1094-B and 1095-B to report information about the coverage they provided during the previous year.
- Section 6056 applies to applicable large employers (ALEs)—generally, those employers with 50 or more full-time employees, including full-time equivalents, in the previous year. ALEs will use Forms 1094-C and 1095-C to report information relating to the health coverage that they offer (or do not offer) to their full-time employees.

Filers are not required to submit a request or other documentation to the IRS to take advantage of the extended furnishing due date provided by Notice 2018-06.

Extended Furnishing Deadline

The IRS has again determined that some employers, insurers and other providers of MEC need additional time to gather and analyze the information and prepare the 2017 Forms 1095-B and 1095-C to be furnished to individuals. Therefore, Notice 2018-06 provides an additional 30 days for furnishing the 2017 Form 1095-B and Form 1095-C, extending the due date from Jan. 31, 2018, to March 2, 2018.

Despite the delay, employers and other coverage providers are encouraged to furnish 2017 statements to individuals as soon as they are able.

Filers are not required to submit any request or other documentation to the IRS to take advantage of the extended furnishing due date provided by Notice 2018-06. Because this extended furnishing deadline applies automatically to all reporting entities, the IRS will not grant additional extensions of time of up to 30 days to furnish Forms 1095-B and 1095-C. As a result, the IRS will not formally respond to any requests that have already been submitted for 30-day extensions of time to furnish statements for 2017.

Impact on Filing Deadline

The IRS has determined that there is no need for additional time for employers, insurers and other providers of MEC to file 2017 forms with the IRS. Therefore, Notice 2018-06 does not extend the due date for filing Forms 1094-B, 1095-B, 1094-C or 1095-C with the IRS for 2017. This due date remains:

- Feb. 28, 2018, if filing on paper; or
- April 2, 2018, if filing electronically (since March 31, 2018 is a Saturday).

Because the due dates are unchanged, potential automatic extensions of time for filing information returns are still available under the normal rules by submitting a Form 8809. The notice also does not affect the rules regarding additional extensions of time to file under certain hardship conditions.

Employers or other coverage providers that do not meet the due dates for filing and furnishing (as extended under the rules described above) under Sections 6055 and 6056 are subject to penalties under Section 6722 or Section 6721 for failure to furnish and file on time. However, employers and other coverage providers that do not meet the relevant due dates should still furnish and file. The IRS will take this into consideration when determining whether to abate penalties for reasonable cause.

Impact on Individuals

Because of the extended furnishing deadline, some individual taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2017 tax returns. Taxpayers may rely on other information received from their employer or other coverage provider for purposes of filing their returns, including determining eligibility for an Exchange subsidy and confirming that they had MEC for purposes of the individual mandate.

Taxpayers do not need to wait to receive Forms 1095-B and 1095-C before filing their 2017 returns. In addition, individuals do not need to send the information they relied upon to the IRS when filing their returns, but should keep it with their tax records.

Extension of Good-faith Transition Relief from Penalties for 2017

Notice 2018-06 also extends transition relief from penalties for providing incorrect or incomplete information to reporting entities that can show that they have made good-faith efforts to comply with the Sections 6055 and 6056 reporting requirements for 2017 (both for furnishing to individuals and for filing with the IRS).

This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. No relief is provided for reporting entities that:

- Do not make a good-faith effort to comply with the regulations; or
- Fail to file an information return or furnish a statement by the due dates (as extended).

In determining good faith, the IRS will take into account whether a reporting entity made reasonable efforts to prepare for reporting the required information to the IRS and furnishing it to individuals (such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS or testing its ability to transmit information to the IRS). The IRS will also take into account the extent to which the reporting entity is taking steps to ensure that it will be able to comply with the reporting requirements for 2018.