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between the amount that taxpayers owe and the amount they've actually paid. Now, to add another crushing weight, it has to ramp up Obamacare activities despite recent budget cutbacks.

**Ken Berry, JD** • Apr. 06, 2014

*[This is one of a [series of articles](#) on new developments relating to the Patient Protection and Affordable Care Act of 2010 (aka "Obamacare").]*

The IRS famously nabbed Al Capone for tax evasion after he had managed to elude other law enforcement efforts. Now the White House is hoping that the nation's tax collection agency will help capture "criminals" of a far different sort: Those who fail to obtain individual health insurance coverage as mandated by the Patient Protection and Affordable Care Act (PPACA), the law known as Obamacare. But the new head of the IRS is protesting that his underlings may not have enough resources at their disposal.

The open enrollment period for 2014 officially ended on March 31 (although some taxpayers effectively are eligible for an extension). The IRS is responsible for enforcing some of the more onerous Obamacare provisions, including the mandate for individuals.

Notably, the IRS will be doling out fines to those who haven't enrolled through the health insurance exchange. The penalty for noncompliance is equal is \$95 per adult and \$47.50 per child (up to \$285 for a family) or one percent of taxable income, whichever is greater.

In addition, the IRS is required to verify subsidy eligibility of millions of Americans — approximately six million at last count — who have signed up for insurance in the

marketplace. It is also tasked with helping to distribute the subsidies to people

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“The biggest challenge to us is funding,” Koskinen said in a speech to the National Press Club in Washington on April 2. “We have fewer employees and resources, even as our responsibilities expand.” Also, adding these administrative burdens to the IRS’ plate could leave the agency with other holes to plug. “Since we are mandated to implement ACA, that means our budget level for other major projects like updating our IT systems has been shelved,” noted the IRS chief.

A recent report from the Treasury Inspector General for Tax Administration (TIGTA) shows the IRS is already lagging behind. “The ACA contains an extensive array of tax law challenges that will present continuing source of challenges for the IRS in the coming years,” said TIGTA. It also explained that the IRS has more groundwork to do before it can effectively enforce the new provisions, including improving its methods for determining if tax-exempt hospitals are complying with the law.

Koskinen attributed the slow start to money woes. “The IRS is basically the only major agency running on post-sequester level funding,” he protested. The agency’s budget was cut for the fourth year in a row in the recently approved federal budget. It was allocated \$11.2 billion, down from \$12 billion for the 2013 fiscal year, at this crucial time in the nation’s history. Koskinen remarked that the main complaint he hears from IRS staffers around the country is that they simply don’t have enough workers to meet the demands of the job.

Nevertheless, the IRS may find additional funding hard to come by in the wake of several mishaps, including an ongoing scandal over tax-exempt applications for conservative groups, squandering of taxpayer money on frivolities and booking lavish accommodations for workers at training conferences. Despite the plea by its commissioner, the agency will likely have to apprehend the insurance dodgers without any more financial assistance.

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