



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

Exemption information if your state didn't expand Medicaid

Do you have a low income and live in state that did not expand Medicaid? You may be eligible for an exemption from the requirement to have health coverage.

The Affordable Care Act is making health insurance more affordable, helping more people get covered, and improving the quality of care that millions of Americans receive. Under the Affordable Care Act, individuals who can afford to are now required by law to have health coverage. If you can afford health coverage but chose not to buy it, you may have to pay a fee. However, those who can't afford coverage or meet other conditions may qualify for an exemption. If you qualify, receiving an exemption is simple and easy, and means you won't have to pay a fee.

It is important for individuals to know that exemptions are available and to understand the steps they need to take to request one. If your household income was below a certain level for your family size, and at any time during the year you lived in a state that did not expand Medicaid under the Affordable Care Act (see list below), you may qualify for an exemption.

What does Medicaid expansion mean?

The Affordable Care Act provides states with additional federal funding to expand their Medicaid programs to cover adults and children who may have not previously qualified for Medicaid coverage because their incomes are too high or for other factors. In states that have expanded Medicaid, free or low-cost health coverage is available to people with incomes below a certain level regardless of factors such as disability, family status, and financial resources.

Did my state expand Medicaid coverage in 2014?

For filing your tax return for year 2014, the states that had not expanded Medicaid are listed below. Note that this list may be updated for filing your tax returns next year.

- Alabama
- Alaska
- Florida
- Georgia
- Idaho
- Indiana
- Kansas
- Louisiana
- Maine
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- North Carolina
- Oklahoma
- Pennsylvania
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Virginia
- Wisconsin
- Wyoming

So who qualifies for the Medicaid exemption?

In addition to other eligibility criteria, you may qualify to claim this exemption if your household income was below a certain level for your family size, and at any time during the year, you lived in a state that did not expand Medicaid (see list above). For example, if you lived in a state that did expand Medicaid from January through July, then moved to a state that did not expand Medicaid in August, you could still be eligible for the exemption for the full year.

For filing your tax return for year 2014, you are considered to be within the threshold for this exemption, if your household income is below:

- \$16,105 for an individual
- \$21,707 for a family of two
- \$27,310 for a family of three
- \$32,913 for a family of four
- \$38,516 for a family of five
- \$44,119 for a family of six

How Do I Apply for a Medicaid Exemption?

If you need this exemption, you can simply claim it when you file your taxes. To claim an exemption when you file your taxes, you'll select the exemption that applies to you and enter the corresponding code. For this exemption, it will be "Resident of a state that did not expand Medicaid," which is code G.

Some people already applied for this exemption through the Health Insurance Marketplace. If you already received this exemption through the Marketplace and are still waiting for a response, you can include the word "pending" on your tax return where you would normally put your Exemption Certificate Number.¹ If you have questions about Marketplace exemptions or about your Exemption Certificate Number, visit HealthCare.gov/taxes, or call the Marketplace call center at 1-800-318-2596.

¹ If your exemption application is denied, or if more information is needed, you will receive a letter notifying you of the denial or the additional information that you need to provide. The letter will include information regarding next steps.

If you have questions about how to apply for an exemption on your tax return, visit the Internal Revenue Service webpage on exemptions, available [here](#).

Where can I get help with my taxes?

Most people use software to file their taxes, which is the easiest way to complete your tax return as it guides you through the process and does all the math. [Resources are available to help you file your taxes](#), including free tax filing services if you meet certain income requirements:

- [Free In-Person Volunteer Assistance through the Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) programs.](#)
- [Free Software Returns through IRS Free File for taxpayers with incomes below \\$60,000.](#)
- [Commercial software.](#)
- [Professional assistance.](#)

How long does a Medicaid exemption last?

This Medicaid exemption will be granted for the whole calendar year (January 2014 through December 2014).

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