

Why You May Not Want a Tax Refund This Year

Most Americans wouldn't dream of planning ahead to ensure that they *won't* get a tax refund. But for those who have chosen to go uninsured under the Affordable Care Act, it's in their best interest to have \$0 in tax refunds coming to them for the 2014 tax year.

Why? Those who have not enrolled in **Obamacare** or any other approved plan in 2014, thus going without health insurance, are subject to a penalty tax—either \$95 or 1 percent of their 2014 income, whichever is higher.

Twila Brase—president and co-founder of Citizens' Council for Health Freedom, a Minnesota-based national organization dedicated to preserving patient-centered health care and protecting patient and privacy rights—has told her readers and radio listeners that the IRS has only one method to collect this penalty tax: from Americans' tax refunds.

Brase added that citizens will be in violation of the law if they choose not to pay the penalty, but that making sure that they have no tax refund coming to them will protect them from the IRS taking an incorrect amount of penalty tax from their refund.

"As in matters of the government in general, it's better for Americans to be in control of their own financial responsibility, rather than a federal agency like the IRS deciding what the penalty amount should be and then taking it," Brase said. "They could be wrong. It's better that we determine the penalty and pay it ourselves. With the back-office financial and accounting operations of not yet built, there are too many open doors to error if we give the IRS leeway to determine the penalty and withhold the refund."

Because there are just three months left in the 2014 tax year, Brase suggests that those who went without insurance this year contact a tax professional or employer human-resources representative who can advise them of any adjustments that need to be made to avoid seeing a refund, from which the IRS can withdraw penalties.

With the next Obamacare open enrollment period beginning on Nov. 15, Brase said that there are three legal ways to avoid signing up for government-run health-care coverage altogether, which puts Americans' private medical data at risk, compromises care, ties the hands of medical professionals, and takes more money out of Americans' pockets.

1. Buy private insurance outside of the government exchanges, such as a private policy, employer-sponsored coverage or a private insurance exchange.
2. Pay the penalty tax in 2016 for being without coverage in 2015. In 2015, the penalty tax increases to 2 percent of net income or \$325, whichever is greater—still less expensive and less risky than high government premiums.
3. Claim one of the nine Obamacare exemptions, or one of the 14 hardship waivers.