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Departments of Insurance and Revenue Offer Tips for Tax Season

The Louisiana Department of Insurance and the Louisiana Department of Revenue are offering guidance to tax filers this tax season. At a joint press conference this morning, Insurance Commissioner Jim Donelon and Louisiana Department of Revenue (LDR) Tax Audit Specialist Kent LaPlace explained how to claim the Louisiana Citizens Property Insurance rebate. Commissioner Donelon also addressed tax penalties under the Affordable Care Act that are new to tax filers this year.

Claiming the Citizens Assessment Rebate

This marks the tenth year of the Louisiana Citizens Property Insurance Corporation (Citizens) assessments which are scheduled to continue until 2025. While the assessment is fully refundable to Louisiana insurance policyholders, more than \$300 million in refunds for 2006-2010 have expired and gone unclaimed.

“Tax filing time is one of the easiest times to claim your Citizens rebate, since it can be claimed as a tax credit on the state tax form for the most recent year,” said Commissioner Donelon. “It may be claimed by anyone who pays property insurance – homeowners, renters and business owners are all entitled to the rebate once they have paid the assessment,” said Commissioner Donelon. “At the end of 2014, nearly two-thirds of available Citizens rebate funds, nearly \$240 million, went unclaimed and is currently available to property insurance policyholders.”

The amount of the assessment rebate can be found on the declaration page of a property insurance policy. Once a policyholder knows the amount of their assessment, they can claim their rebates for 2011 through 2014 as a tax credit or by filling out a form online through the Louisiana Department of Revenue’s Online Filing and Payments system: www.revenue.louisiana.gov/fileonline. Users will need to create an account to access the electronic form for claiming their Citizens rebate.

The Louisiana Department of Revenue advised policyholders, “Claim only the Citizens assessment, not the total insurance premium and if you have more than one property on which you are claiming the rebate, send in a single rebate form for all properties each year rather than a separate rebate form for each property,” Tax Audit Specialist Kent LaPlace said.

Both personal and commercial policyholders can also claim the rebate by filling out a one-page paper form and mailing it to the Louisiana Department of Revenue. The forms, as well as more information on the Citizens Rebate can be found on the Louisiana Department of Insurance website www.lidi.la.gov.

Staff members with the Louisiana Department of Insurance’s Office of Consumer Advocacy will be distributing information on the rebates as well as the paper forms to policyholders at the following events:

Event	Date	Time	Location
Home Builders Expo	February 21- 22	11 a.m. – 5 p.m.	Monroe Civic Center, Monroe
Pontchartrain Home Show	February 27-March 1	11 a.m. - 6 p.m.	Pontchartrain Center, Kenner
Home, Garden & Lifestyle Show	February 28-March 1	11 a.m.- 5 p.m.	Cajundome, Lafayette
Bayou Home Show	March 7-8	10 a.m. – 5 p.m.	Houma Civic Center, Houma
Jefferson Parish Senior Expo	March 12	8 a.m. – 2 p.m.	Alario Center, Westwego
First Annual Fallen Officers Memorial Invitational Bass Tournament	March 13-14	8 a.m.-Noon	Red River South Marina, Bossier City
Habitat Home Expo	March 21-22	10 a.m. - 5 p.m.	River Center, Baton Rouge

Tax Changes under Affordable Care Act

Under the Affordable Care Act, tax filers may pay a penalty for not having health insurance in 2014. Those who did not have coverage for all of 2014 will pay the **higher** of:

- **1% of yearly household income.** The maximum penalty using this method is the annual national average premium for a bronze plan (that’s about \$2,400 for individual or \$12,000 for family of 5) **Or**
- **\$95 per person for the year (\$47.50 per child under 18).** The maximum penalty per family using this method is \$285.

“If you did not have health insurance in 2014, this marks the first time a penalty may be charged to you when paying your federal taxes,” said Commissioner Donelon. “This also marks the first time tax filers will be asked to answer a question regarding their health insurance on their tax returns. Most consumers will just need to check a box indicating they have coverage.”

Those who obtained health insurance through the federal Health Insurance Marketplace in 2014 were sent a new form in the mail, Form 1095-A, the Health Insurance Marketplace Statement– that they’ll use to reconcile their upfront financial assistance if they qualified for a premium tax credit, or subsidy. This form is needed to complete Form 8962, the Premium Tax Credit form, when filing your taxes.

“If you received too large of a subsidy, either because you underestimated your income or for another reason, you may be required to pay back part of it with your tax return,” said Commissioner Donelon. “And likewise if the subsidy you received was smaller than the premium tax credit you were eligible for, you should receive the difference as a credit on your tax return.”

Those who did not have health insurance in 2014 may be able to claim an exemption if they could not afford it. For a complete list of exemptions and more information on penalties, please visit www.healthcare.gov/taxes.

About the Louisiana Department of Insurance: *The Louisiana Department of Insurance works to improve competition in the state’s insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting www.ldi.la.gov.*