



TaxNewsFlash

United States

No. 2024-355
September 16, 2024

Proposed regulations: Definition of the term “coverage month” for computing premium tax credit

The U.S. Treasury Department and IRS today released [proposed regulations](#) (REG-116787-23) that would amend the definition of a “coverage month” and revise certain rules in existing income tax regulations related to the computation of an individual taxpayer’s premium tax credit (PTC).

The proposed amendment to the coverage month definition would generally allow a month to qualify as a coverage month for PTC computation if the premium paid, including advance payments of the PTC (APTC), is sufficient to prevent termination of the individual’s coverage for that month.

Additionally, the proposal seeks to:

- Amend existing regulations concerning the amount of enrollment premiums used in calculating the taxpayer’s monthly PTC when a portion of the monthly enrollment premium for a coverage month remains unpaid
- Clarify when an individual is considered ineligible for coverage under a state’s basic health program (BHP)

Taxpayers impacted by the proposed regulations include those who enroll themselves or a family member in individual health insurance coverage through a health insurance exchange and who may qualify for a PTC for the coverage.

Comments on the proposed regulations must be received by November 1, 2024. A public hearing has been scheduled for December 13, 2024, at 10:00 AM ET, but if no requests to speak or outlines of topics to be discussed are received by November 1, 2024, then the hearing will be cancelled.

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