



TaxNewsFlash

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

The U.S. Treasury Department and IRS today released [final regulations](#) (T.D. 10019) that amend the definition of a “coverage month” and amend certain other rules in existing income tax regulations related to the computation of an individual taxpayer’s premium tax credit (PTC).

The coverage month amendment generally provides that, in computing a PTC, a month may be a coverage month for an individual if the amount of the premium paid, including by advance payments of the PTC (APTC), for the month for the individual’s coverage is sufficient to avoid termination of the individual’s coverage for that month.

The final regulations also:

- Amend the existing regulations relating to the amount of enrollment premiums used in computing the taxpayer’s monthly PTC if a portion of the monthly enrollment premium for a coverage month is unpaid
- Clarify when an individual is considered to be not eligible for coverage under a state’s basic health program (BHP)

The final regulations apply to tax years beginning on or after January 1, 2025.

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