

The Massachusetts Health Insurance Mandate: Some Good News for Massachusetts Taxpayers

Since 2007, most Massachusetts residents have been required to either obtain health insurance coverage meeting Massachusetts “minimum creditable coverage” standards, or pay a state tax penalty (for 2014, the penalty ranges from \$240 to \$1104 per year, depending on income). Effective January 1, 2014, Massachusetts residents are also subject to federal health care reform, which requires most United States citizens to either obtain health insurance meeting federal “minimum essential coverage” standards, or pay a federal tax penalty (for 2014, the federal penalty is generally \$95 per person, and increases to \$325 in 2015 and \$695 in 2016). (For more information about these minimum requirements, click [here](#) and [here](#).) Many have wondered: could an individual without medical coverage be required to pay both penalties in full?

On November 7, 2014, the Massachusetts Department of Revenue amended its individual mandate regulations (830 CMR 111M.2.1) to answer this question. In sum: if an individual is required to pay both a Massachusetts and a federal penalty for failure to obtain adequate health care coverage, the amount of the Massachusetts penalty is reduced by the amount of the federal penalty.

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