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The Individual Mandate for Health Insurance Coverage: In Brief

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Introduction

From January 1, 2014, through December 31, 2018, most individuals had to maintain health insurance coverage or pay a penalty for noncompliance implemented through the Internal Revenue Code (IRC).[1] To comply with the individual mandate, individuals needed to maintain minimum essential coverage, which includes most types of public and private health insurance coverage, though some individuals were exempt from the mandate.

Since January 1, 2019, the requirement to maintain health insurance coverage, its corresponding penalty, and exemptions from the mandate have remained in statute, but the penalty for noncompliance has been effectively eliminated by being reduced to zero. By law, individuals are still required to maintain health insurance coverage or receive an exemption from the mandate, though they will no longer pay a penalty for failing to do so.

The individual mandate was modified under the 2017 tax revision, P.L. 115-97, which was enacted on December 22, 2017. The law effectively eliminated the penalty associated with the individual mandate beginning in 2019. However, the 2017 tax revision did not make any other substantive changes to the statutory language establishing the mandate and its associated penalty.

This report provides an overview of the individual mandate, its associated penalty, and the exemptions from the mandate as they operate according to law and as they operate in practice with the effective elimination of the penalty. It discusses the ACA reporting requirements designed, in part, to assist individuals in providing evidence of having met the mandate. The report includes the most recent national- and state-level data on the application of the mandate's penalty for tax year (TY) 2014 through TY2017.

The information provided in this report is based on current law and corresponding regulations and guidance.

Individual Mandate

Most individuals are required to maintain *minimum essential coverage* for themselves and their dependents. The types of coverage that are considered minimum essential coverage are listed in Section 5000A of the IRC and its implementing regulations.[2] Most types of comprehensive coverage are considered minimum essential coverage, including public coverage, such as coverage under programs sponsored by the federal government (e.g., Medicaid, Medicare), as well as private insurance (e.g., employer-sponsored insurance and nongroup, or individual, insurance).[3]

The statute identifies types of coverage consisting of limited benefits, such as dental-only insurance, that are not considered minimum essential coverage.

[1] 26 U.S.C. §5000A.

[2] 26 U.S.C. §5000A(f) and 26 C.F.R. §1.5000A-2.

[3] The Internal Revenue Service (IRS) has a chart that shows the types of coverage that qualified as minimum essential coverage in 2018 in the instructions for IRS Form 8965, "Health Coverage Exemptions," at https://www.irs.gov/pub/irs-prior/i8965--2018.pdf.

The Essential Health Benefits and Minimum Essential Coverage

The essential health benefits and minimum essential coverage are independent concepts that are often conflated.

Section 1302 of the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) lists 10 categories from which services and benefits must be included to comprise the essential health benefits. Health plans offered in the nongroup and small-group markets must cover the essential health benefits.

Section 5000A of the Internal Revenue Code and its implementing regulations list the types of coverage that are considered minimum essential coverage, but they do not specify how that coverage must be designed (i.e., they do not require that the essential health benefits are covered).

The only way in which minimum essential coverage and the essential health benefits intersect is when a person has a nongroup or small-group health plan. In both situations, the person would have a health plan that is considered minimum essential coverage and that also covers the essential health benefits. No other type of coverage that is identified as minimum essential coverage is required to comply with the requirement to cover the essential health benefits.

Penalty

Per statute, individuals who do not comply with the mandate, or who have dependents who do not comply,[4] may be required to pay a penalty annually for each month of noncompliance, to be implemented through the IRC. An individual's annual penalty is equal to one-twelfth of the annual penalty (described below) multiplied by the number of months in which the individual did not comply with the mandate.

Since TY2019, the annual penalty has been reduced to zero, which has effectively eliminated the penalty. The language on how to calculate the penalty, how to pay the penalty, and exemptions from the penalty remains in statute.

Calculating the Penalty

The penalty for noncompliance is calculated as the *greater* of either

- **a percentage of *applicable income*,** defined as the amount by which an individual's household income[5] exceeds the applicable tax filing threshold for the tax year;[6] or
- **a yearly flat dollar amount** assessed on each taxpayer and any dependents.[7] The total dollar amount assessed on a taxpayer (for themselves and any dependents) is capped at 300% of the annual flat dollar amount. For example, in 2018, the annual dollar amount penalty for a taxpayer and three dependents (all of whom

[4] The IRS provides that a taxpayer is liable for an individual mandate penalty for his or her dependents regardless of whether the taxpayer claims a personal exemption for the dependents for the taxable year. *Dependent* is defined in the Internal Revenue Code (IRC) §152 and includes qualifying children and qualifying relatives (see U.S Department of the Treasury, IRS, "Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage," 78 *Federal Register* 53646, August 30, 2013).

[5] *Household income* is defined as the modified adjusted gross income (MAGI) of the taxpayer, plus the aggregate MAGI of all other individuals for whom the taxpayer is allowed a deduction for personal exemptions for the taxable year—the taxpayer's spouse and dependents (as defined in IRC §152). For more information, see CRS Report R43861, *The Use of Modified Adjusted Gross Income (MAGI) in Federal Health Programs*.

[6] The filing threshold comprises the personal exemption amount (doubled for those married filing jointly) plus the standard deduction amount.

[7] The flat dollar amount is reduced by one-half for dependents under the age of 18.

were without coverage for the entire year) was limited to three times $695, or $2,085.

As shown in **Table 1**, both the percentage and the flat dollar amount increased between 2014 and 2016, and the dollar amount was adjusted for inflation by the Consumer Price Index for All Urban Consumers (CPI-U) for 2017 and 2018 (though the inflation adjustment did not result in a change in the penalty amount). Both the percentage and the flat dollar amount were reduced to zero for 2019 and subsequent years.

Table 1. Annual Individual Mandate Penalty

Year	Percentage of Applicable Income	Flat Dollar Amount
2014	1.0%	$95
2015	2.0%	$325
2016[a]	2.5%	$695
2017[a]	2.5%	$695 adjusted for inflation[b]
2018[a]	2.5%	$695 adjusted for inflation[b]
2019 and Beyond	0.0%	$0

Source: Internal Revenue Code (IRC) §5000A.

Notes: The table shows the annual penalty, but the penalty is assessed on a monthly basis. The monthly penalty is 1/12 of the annual penalty.

a. In statute, P.L. 115-97 retroactively zeroed out the penalty percentage and flat dollar amount for this tax year beginning in January 1, 2019.

b. In 2017 and 2018, the flat dollar amount is $695 (i.e., it was not changed by the inflation adjustment).

An individual's annual penalty payment is equal to one-twelfth of either the percentage of income or the flat dollar amount, multiplied by the number of months not in compliance. Each total monthly penalty is also capped. The monthly penalty for a taxpayer and his or her dependents cannot be more than the cost of the national average premium for bronze-level health plans offered through health insurance exchanges (for the relevant family size).[8] For 2018, the average premium was $283 per individual per month.[9] If a taxpayer was liable to pay a penalty for more than one individual, the monthly individual amount ($283) was multiplied by the number of individuals subject to a penalty, up to a maximum of five individuals. So, for 2018, the maximum cap was $283 per month for a single taxpayer, $849 per month for a taxpayer who was liable for penalties for three individuals, and $1,415 per month for a taxpayer who was liable for penalties for five or more individuals.

Paying the Penalty

Any penalty that taxpayers are required to pay for themselves or their dependents must be included in their federal income tax return for the taxable year. Those individuals who filed joint returns are jointly liable for the penalty.

[8] Health insurance plans offered in the nongroup and small-group markets must have an actuarial value that corresponds to one of four tiers, as designated by a metal. Plans offered in the bronze tier have the lowest actuarial value—60%.

[9] IRS Rev. Proc. 2018-43 at https://www.irs.gov/pub/irs-drop/rp-18-43.pdf.

For tax years prior to TY2019, taxpayers who were required to pay a penalty but failed to do so would have received a notice from the Internal Revenue Service (IRS) stating that they owed the penalty. If the taxpayers still did not pay the penalty, the IRS could have attempted to collect the funds by reducing the amount of their tax refund for that year or future years. However, individuals who failed to pay the penalty would not have been subject to any criminal prosecution or penalty for such failure. The Secretary of the Treasury could not have filed notice of lien or filed a levy on any property for a taxpayer who did not pay the penalty.

With the effective elimination of the penalty beginning in TY2019, individuals are no longer required to include any penalty amounts in their federal income tax return, though the requirements and procedures associated with paying the penalty are still included in law.[10]

Exemptions

Some individuals are exempt from the individual mandate or its associated penalty.[11] An individual who obtains an exemption from the mandate is not required to make a penalty payment for any month in which he or she qualifies for the exemption. The exemptions are outlined in statute and in regulations (and are summarized in **Table 2**).

Prior to TY2019 and in most cases, individuals must either have applied for an exemption through a health insurance exchange or claimed an exemption on their federal tax return, although individuals who could have claimed the living abroad exemption did not have to take any action for their exemption.[12] Individuals whose exemptions were granted by an exchange reported the exemption information to the IRS when they filed their taxes. Since TY2019, individuals no longer need to claim or report an exemption on their federal tax return if they do not maintain minimum essential coverage.

Most exemptions are applicable retrospectively, but some exemptions, including the religious conscience and Indian tribe exemptions, are eligible for prospective or retrospective applicability.

Although individuals no longer need to report a hardship or affordability exemption on their tax return, individuals still must apply to a health insurance exchange for such exemption to be eligible to enroll in catastrophic health plans offered in the nongroup (or individual) market. Catastrophic plans must cover a comprehensive set of benefits but do not have to comply with the same cost-sharing requirements with which other nongroup plans must comply. As a result, these plans typically have lower premiums because they have higher cost sharing. Aside from individuals who claim hardship or affordability exemptions, only individuals who are under the age of 30 are eligible to enroll in catastrophic plans.

[10] 26 U.S.C. §5000A(b) and 26 U.S.C. §5000A(g).

[11] Certain exemptions apply to the individual mandate, whereas other exemptions apply to the penalty but not the mandate. Prior to the effective elimination of the penalty, the practical effects were the same whether an individual was exempt from the mandate or the penalty—the individual would not have been subject to a penalty for not maintaining minimum essential coverage.

[12] For more information about how individuals previously claimed exemptions, see the IRS website, "Individual Shared Responsibility Provision—Exemptions: Claiming and Reporting," at https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Exemptions.

Table 2. Exemptions from the ACA's Individual Mandate and Its Associated Penalty

Exemption	Description
Religious Conscience	To qualify for this exemption, an individual either (1) must be a member of a recognized religious sect or division (as described in §1402(g)(1) of the Internal Revenue Code [IRC]) by reason of which he or she is conscientiously opposed to acceptance of the benefits of any private or public insurance that makes payments in the event of death, disability, old age, or retirement or makes payments toward the cost of, or provides services for, medical care (e.g., Medicare) and such sect or division must have been in existence at all times since December 31, 1950; or (2) must be a member of a religious sect or division (not described in §1402(g)(1) of the IRC), must rely solely on a religious method healing, and must have religious beliefs that are inconsistent with the acceptance of medical health services.[a]
Hardship	Individuals who have experienced a hardship with respect to obtaining health insurance coverage are exempt. The Secretary of Health and Human Services has the authority to determine the circumstances under which an individual may receive a hardship exemption.[b]
Health Care Sharing Ministry Membership	To qualify for this exemption, an individual must be a member of a health care sharing ministry[c] that (1) has been in existence (and sharing medical expenses) at all times since December 31, 1999, and (2) conducts an annual audit by an independent certified public accountant, available to the public upon request.
Indian Tribe Membership	For purposes of this exemption, the term *Indian tribe* means any Indian tribe, band, nation, pueblo, or other organized group or community (including any Alaska Native village) or regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.
Incarceration	Incarcerated individuals are exempt, except those pending the disposition of charges.
Affordability	Individuals whose required contribution for self-only coverage exceeds a certain percentage of household income are exempt.[d] The percentage is 8.24% for 2020.
Unlawful Resident	Individuals who are not lawfully present in the United States are exempt.
Coverage Gap	No penalty will be imposed on those without coverage for less than three months, but this exemption applies only to the first short coverage gap in a calendar year.
Filing Threshold	Individuals whose household income is less than the filing threshold for federal income taxes for the applicable tax year are exempt.
Living Abroad	Qualifying individuals who otherwise would be subject to the mandate but who live abroad for at least 330 days within a 12-month period as well as bona fide residents of any possession of the United States will be considered to have minimum essential coverage and therefore will not be subject to the penalty.

Source: IRC §5000A and implementing regulations.

Note: For more information about the exemptions and how to obtain them, see Internal Revenue Service (IRS), "Individual Shared Responsibility Provision—Exemptions: Claiming or Reporting," at https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Exemptions, and Centers for Medicare & Medicaid Services, "Exemptions from the Requirement to Have Health Insurance," at https://www.healthcare.gov/health-coverage-exemptions/exemptions-from-the-fee/.

a. There is no list of specific religious groups that qualify for the exemption.

b. For example, individuals who are homeless and those who have filed for bankruptcy may be eligible for a hardship exemption. For more information about the circumstances that qualify an individual for a hardship exemption, see Healthcare.gov, "Hardship Exemptions, Forms & How to Apply," at https://www.healthcare.gov/health-coverage-exemptions/hardship-exemptions/.

c. A *health care sharing ministry* is defined as an organization described in IRC §501(c) that is exempt from taxation under IRC §501(a). Members of the ministry share a common set of ethical or religious beliefs and

share medical expenses, and they retain membership even after they develop a medical condition. 26 U.S.C. §5000A(d)(2)(B)(ii).

d. *Required contribution* is defined as (1) in the case of an individual eligible to purchase minimum essential coverage through an employer (other than through an exchange), the portion of the annual premium that is paid by the individual for self-only coverage or (2) for individuals not included above, the annual premium for the lowest-cost bronze plan available in the individual market through the exchange in the state in which an individual resides, reduced by the amount of any premium credit received for the taxable year.

Reporting Requirements

Individuals

Prior to TY2019, taxpayers were required to provide information to the IRS about their compliance with the mandate.[13] When filing their tax returns, they were required to indicate whether they and their dependents had minimum essential coverage for each month of the year.[14] Taxpayers were required to report any exemptions they or their dependents were granted by an exchange. Taxpayers also were allowed to claim an exemption for themselves or their dependents when filing their taxes. The IRS would then assess a penalty on any taxpayer who did not indicate coverage or an exemption for the taxpayer or any dependents.

Since TY2019, taxpayers have not been required to provide information to the IRS when filing their tax returns about their compliance with the mandate, any exemptions granted by an exchange, or any exemptions claimed on the tax return. With the effective elimination of the penalty, taxpayers who are not in compliance with the individual mandate requirements are no longer assessed a penalty by the IRS when they file their tax returns.

Entities Providing Minimum Essential Coverage

To verify the coverage information provided by taxpayers, every entity (including employers, insurers, and government programs) that provides minimum essential coverage to any individual must report that information to the IRS and provide a statement to the covered individual.[15] The information the reporting entity is to give to the IRS includes the name, address, and taxpayer identification number of the responsible individual[16] and each other individual covered under the

[13] For more information regarding an individual's reporting requirements with respect to the individual mandate for TY2019, see the IRS website, "Individual Shared Responsibility Provision – Reporting and Calculating the Payment," at https://www.irs.gov/affordable-care-act/individuals-and-families/aca-individual-shared-responsibility-provision-calculating-the-payment.

[14] In TY2018, the IRS rejected returns that did not report full-year coverage, claim an exemption, or report an individual mandate penalty payment. In previous tax years, the IRS did not systematically reject tax returns during processing in instances where the taxpayer did not provide such information. Prior to TY2018, the IRS processed the "silent returns" and followed up with taxpayers as needed according to the agency's post-processing compliance procedures. For more information about this change, see the IRS websites "Individual Shared Responsibility Provision," at https://www.irs.gov/affordable-care-act/individuals-and-families/individual-shared-responsibility-provision, and "ACA Information Center for Tax Professionals," at https://www.irs.gov/tax-professionals/aca-information-center-for-tax-professionals.

[15] 26 U.S.C. §6055.

[16] In regulations, the term *responsible individual* includes "a primary insured, employee, former employee, uniformed services sponsor, parent, or other related person named on an application who enrolls one or more individuals, including him or herself, in minimum essential coverage." 26 C.F.R. §1.6055-1(b)(11).

policy or program,[17] as well as the months during which, for at least one day, each individual was covered under the policy or program.

The reporting entity also must provide a statement to each responsible individual covered under the policy or program. The statement must include the contact information for the person designated as the reporting entity's contact person; the policy number of the coverage, if any; and the information included in the return to the IRS for the responsible individual and any individuals listed on the return.

With the effective elimination of the individual mandate penalty beginning in TY2019, the Treasury Department and the IRS have been "studying whether and how the reporting requirements under section 6055 should change, if at all, for future years."[18] As of the publication date of this report, reporting entities have been, and are still, required to satisfy the aforementioned reporting requirements. However, for TY2019, the IRS stated it would not assess a penalty on certain reporting entities for failing to furnish a statement to each responsible individual if the reporting entity (1) posted a prominent notice on its website indicating that responsible individuals could receive the statement upon request and (2) provided the statement to a requesting responsible individual within 30 days of receiving a request.[19]

Penalty and Exemption Data

The most recently available data on the individual mandate penalty and exemptions are for TY2014 through TY2017 (see **Table 3** and **Table 4**). According to IRS data, the number of tax returns reporting a penalty decreased from TY2014 through TY2017. Because the penalty generally increased over this time frame, the total dollar amount of reported penalties generally increased from TY2014 through TY2017 (see **Table 3**).[20] As a result, the average penalty amount per return that reported a penalty increased from $210 in TY2014 to $774 in TY2017.[21] The number of tax returns reporting an exemption increased from TY2014 to TY2015 before deceasing through TY2017.[22]

Table 4 shows state-level penalty data for TY2014 through TY2017.[23] The IRS has not issued a state-level breakdown of claimed exemptions for any tax year.

[17] Regulations provide that a reporting entity is required to make a reasonable effort to obtain the taxpayer identification number (TIN) of each individual covered under the plan, but if a TIN is not available, the reporting entity must provide a date of birth for the individual instead.

[18] IRS, *Internal Revenue Bulletin: 2018-51*, Notice 2018-94, December 17, 2018, at https://www.irs.gov/irb/2018-51_IRB#NOT-2018-94, and IRS, *Internal Revenue Bulletin: 2019-51*, Notice 2019-63, December 16, 2019, at https://www.irs.gov/irb/2019-51_IRB#NOTE-2019-63.

[19] IRS, *Internal Revenue Bulletin: 2019-51*, Notice 2019-63, December 16, 2019, at https://www.irs.gov/irb/2019-51_IRB#NOTE-2019-63.

[20] IRS, *Statistics of Income - Individual Income Tax Returns Line Item Estimates*, Publication 4801 for various tax years at https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-line-item-estimates.

[21] IRS, *Statistics of Income - Individual Income Tax Returns 2014*, Publication 1304 (Rev. 08-2016), p. 29, at https://www.irs.gov/pub/irs-soi/14inalcr.pdf and IRS, Statistics of Income - Individual Income Tax Returns 2017, Publication 1304 (Rev. 09-2019), p. 25, at https://www.irs.gov/pub/irs-pdf/p1304.pdf.

[22] IRS, *Statistics of Income - Individual Income Tax Returns Line Item Estimates*, Publication 4801 for various tax years at https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-line-item-estimates.

[23] Individual mandate penalty data are also available by county and zip code from the IRS, at https://www.irs.gov/statistics/soi-tax-stats-affordable-care-act-aca-statistics-individual-income-tax-items.

Table 3. Total Number of Tax Returns Reporting Penalties, Total Amount of Reported Penalties, and Total Number of Tax Returns Reporting Exemptions (TY2014-TY2017)

Year	Total Returns Reporting Penalties (in millions)	Total Amount of Reported Penalties (in millions)	Total Returns Reporting Exemptions (in millions)
2014	8.1	$1,694	13.3
2015	6.7	$3,109	13.8
2016	5.0	$3,606	13.1
2017	4.6	$3,564	12.9

Source: Data are from IRS, *Statistics of Income - Individual Income Tax Returns Line Item Estimates*, Publication 4801 for various tax years at https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-line-item-estimates.

Notes: Populations are not mutually exclusive. The data included in this table may not be comparable to U.S. totals published in IRS Publication Table 2 (which is referenced in **Table 4** of this report). The discrepancies have to do with the extent to which the data are edited for the different publications. See the IRS Publication Table 2 source document for more details.

It should be noted that because the penalty and exemption data are based on information provided by a tax return, it is not possible to discern from the publicly available data how many individuals (as opposed to how many tax returns or filed forms) were subject to a penalty or claimed an exemption in each tax year. Because each tax return is filed on behalf of at least one individual, the actual number of individuals subject to a penalty or claiming an exemption would be no fewer than the number of returns or filed forms. Therefore, the figures reported here represent a minimum number of individuals who were subject to a penalty or claimed an exemption in each tax year.

Table 4. Percentage of Tax Returns with Reported Individual Mandate Penalties and Total Amount of Reported Penalties (TY2014-TY2017), by State

	TY2014		TY2015		TY2016		TY2017	
	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)
United States	5.4	$1,689.6	4.5	$3,079.3	3.3	$3,628.0	3.1	$3,666.1
Alabama	5.0	$18.7	3.4	$30.0	2.4	$33.7	2.0	$32.0
Alaska	6.5	$7.5	5.5	$12.8	4.4	$13.3	3.9	$12.5
Arizona	6.5	$36.7	5.3	$69.8	3.9	$83.9	3.6	$85.9
Arkansas	6.4	$15.1	5.3	$28.0	3.6	$30.9	3.4	$30.4
California	5.7	$221.7	4.4	$377.2	3.4	$445.7	3.1	$441.2
Colorado	5.7	$32.7	4.8	$60.6	3.7	$72.0	3.6	$77.6
Connecticut	3.3	$13.6	3.1	$24.7	2.5	$31.1	2.6	$33.6
Delaware	3.9	$3.5	3.4	$6.6	2.5	$8.1	2.4	$8.6
District of Columbia	2.3	$1.8	2.1	$3.5	1.6	$3.8	1.5	$4.1
Florida	6.7	$132.6	5.6	$250.6	3.9	$282.5	3.5	$298.5
Georgia	6.0	$52.6	4.7	$97.1	3.5	$116.2	3.2	$118.8
Hawaii	2.0	$3.0	2.0	$5.7	1.6	$7.5	1.6	$7.8
Idaho	7.3	$10.9	6.1	$20.8	4.3	$24.1	4.1	$26.0
Illinois	4.5	$56.5	3.9	$103.4	2.9	$121.7	2.7	$121.9
Indiana	5.7	$34.1	4.5	$59.5	3.6	$76.7	3.4	$75.5
Iowa	4.2	$11.1	3.6	$20.5	2.7	$25.0	2.7	$25.9
Kansas	4.9	$13.0	4.1	$23.3	3.1	$28.3	3.1	$30.1

	TY2014		TY2015		TY2016		TY2017	
	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)
Kentucky	5.0	$16.5	4.1	$31.3	3.1	$38.2	2.8	$37.5
Louisiana	6.7	$28.5	5.0	$47.6	3.5	$50.6	3.3	$50.8
Maine	6.1	$8.0	5.3	$15.5	3.9	$18.9	3.9	$20.1
Maryland	3.6	$23.6	3.2	$44.5	2.3	$51.0	2.2	$51.5
Massachusetts	2.1	$16.0	2.7	$39.6	2.3	$52.1	2.6	$59.9
Michigan	4.5	$39.2	4.0	$74.6	3.1	$95.4	2.8	$91.7
Minnesota	3.5	$19.6	3.0	$35.4	2.5	$45.2	2.5	$49.6
Mississippi	6.3	$15.2	4.4	$25.6	3.2	$29.7	2.6	$26.4
Missouri	5.2	$27.9	4.2	$50.0	3.0	$59.0	2.9	$60.6
Montana	7.0	$7.8	5.9	$14.3	4.2	$15.4	3.9	$16.5
Nebraska	5.3	$9.3	4.7	$17.8	3.6	$22.2	3.4	$23.2
Nevada	6.6	$18.3	5.4	$33.5	4.0	$39.7	3.7	$40.8
New Hampshire	5.4	$8.2	4.8	$15.2	3.5	$17.4	3.3	$17.9
New Jersey	5.1	$51.2	4.3	$93.3	3.3	$111.6	2.8	$102.2
New Mexico	5.6	$10.7	4.1	$17.5	2.9	$19.7	2.8	$20.4
New York	4.5	$96.1	4.2	$186.1	2.9	$201.6	2.7	$191.9
North Carolina	5.7	$48.6	4.5	$88.5	3.4	$111.3	3.1	$110.7
North Dakota	5.5	$4.7	4.6	$7.8	3.6	$9.0	3.3	$8.9
Ohio	4.2	$43.7	3.3	$76.0	2.5	$93.2	2.4	$94.0
Oklahoma	5.8	$20.9	4.9	$38.4	3.5	$42.5	3.4	$44.6
Oregon	5.1	$19.5	4.3	$35.3	3.5	$44.8	3.6	$51.6

	TY2014		TY2015		TY2016		TY2017	
	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)	Percentage of Returns with Reported Penalties	Total Amount of Reported Penalties (in millions)
Pennsylvania	4.0	$46.8	3.6	$90.3	2.7	$108.8	2.5	$107.6
Rhode Island	4.5	$4.3	4.0	$8.6	3.1	$10.7	2.8	$10.0
South Carolina	5.8	$24.2	4.4	$43.0	3.1	$50.9	2.9	$51.7
South Dakota	4.6	$3.9	3.9	$7.1	2.9	$8.2	2.7	$8.4
Tennessee	5.4	$30.7	4.1	$54.2	2.9	$62.9	2.8	$66.1
Texas	8.9	$247.5	7.1	$447.6	5.1	$520.3	4.5	$511.7
Utah	6.4	$17.3	5.4	$32.2	3.8	$37.3	3.7	$39.7
Vermont	4.8	$3.4	3.9	$6.1	3.2	$7.3	3.3	$8.1
Virginia	4.8	$39.1	4.0	$72.6	2.9	$86.8	2.7	$86.1
Washington	4.6	$36.3	4.0	$67.2	3.1	$78.9	3.1	$86.5
West Virginia	5.8	$8.4	4.4	$14.7	3.3	$17.4	3.0	$17.2
Wisconsin	4.1	$22.0	3.7	$42.1	2.9	$52.6	2.8	$55.2
Wyoming	7.0	$5.4	5.8	$9.0	4.2	$9.5	4.1	$10.2

Sources: Data for TY2014 are from IRS, Statistics of Income, Table 2, "Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2014"; data for TY2015 are from IRS, Statistics of Income, Table 2, "Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2015"; data for TY2016 are from IRS, Statistics of Income, Table 2, "Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2016"; and data for TY2017 are from IRS, Statistics of Income, Table 2, "Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2017." Data for all tax years can be found at https://www.irs.gov/statistics/soi-tax-stats-historic-table-2.

Note: Amounts may not add to U.S. totals because of rounding. The source document for the data includes a note explaining that the U.S. totals in this table may not be comparable to U.S. totals published in IRS Publication 4801 (which is referenced in **Table 3** of this report). The discrepancies have to do with the extent to which the data are edited for the different publications. See the IRS Publication Table 2 source document for more details.

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