

National Indian Health Board



October 30, 2014

Tom Reeder
Internal Revenue Service
Washington, DC

Re: Recommended Improvements for IRS Form 8965 and Related Instructions

Dear Mr. Reeder:

We are writing you today regarding IRS Form 8965 and the accompanying instructions on behalf of the 566 Federally Recognized American Indian and Alaska Native Tribes we represent in the United States.

We appreciate that the Secretary of Health and Human Services has delegated to the Internal Revenue Service the process to claim the hardship exemption from the minimum essential coverage for people who are eligible for the Indian Health Service. We are pleased that the draft IRS Form 8965 is relatively simple and easy to use. It will be much easier for American Indians and Alaska Natives to claim the exemption, particularly for heads of families who are Tribal members seeking to claim exemptions for their children who are not Tribal members but qualify for the hardship exemption as descendants. We have reviewed the draft form and instructions and would like to offer the following recommendations.

We believe it would be helpful to indicate on the form (not just the instructions) that people can either fill out Part I or Part II or Part III. Without this information, people may think they have to fill out both Parts I and III.

On page 2 of the instructions, the 6th row in the chart reads: “Members of Federally-recognized Indian Tribes—You are a member of a Federally-recognized Indian tribe.” IRS should add to this entry, “including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village).”

When using the term, “Alaska Native”, as in the table on page 2 and on page 12 showing exemption types of coverage, Code E, please capitalize “Native”. The term “Alaska Native” is a person who

is a Tribal member or a descendant of a Tribal member. An Alaska native is anyone born in Alaska.

We would suggest gathering all of the information related to American Indians and Alaska Natives (AIAN) and placing in one place in the instructions. Currently there are four different items scattered over twelve pages. Placing all of the information related to AIAN will make it easier to see the big picture and it can be copied and distributed by Tribes to help people fill out their taxes. Specifically, the instructions on page 10 for members of Federally-recognized Tribes should be combined with the instructions on page 12 for people who are eligible for the Indian Health Service. Also on page 10 at the end of the sentence under “Member of a Federally-recognized Indian tribe (code “E”), the following should be added: “..., including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village).”

People who have Exemption E do not have to pay attention to any of the other instructions. This should be stated on the first page of the instructions so people do not waste time trying to figure out the rest of the complicated instructions.

On page 7, under specific instructions, Part 1, Column C, it states: “If you were granted a coverage exemption from the Marketplace, but did not receive an ECN, or do not know your ECN, contact the Marketplace to obtain the ECN.” The Call Center employees do not have this information and the contractor who approves exemptions does not have a published telephone number. For AIAN, better instructions would be: “If you applied for an ECN and did not receive one, skip Part I and use Part III of this form.”

We appreciate that the link to the list of Tribes included in the instructions has a list that includes Alaska Native Villages; however, the list is incomplete. It should also include the names of village and regional corporations formed under ANCSA consistent with the list provided at this link: <http://dnr.alaska.gov/mlw/trails/17b/corpindex.cfm>

Thank you for permitting us to submit information we feel is important to our Federally-recognized Tribes and furthering the process of income tax responsibilities. Please feel free to contact Richard Litsey at 202-507-4076 or rlitsey@nihb.org should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kay A. Bohlen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Executive Director
National Indian Health Board