

LEGAL UPDATE



ACA INFORMATION REPORTING PENALTIES INCREASED FOR RETURNS FILED IN 2025

IRS [Revenue Procedure 2023-34](#) includes updated penalty amounts that may apply to reporting entities that fail to comply with the Affordable Care Act's (ACA) requirements under Internal Revenue Code Sections 6055 and 6056. The increased amounts apply to 2024 information returns and individual statements **that are required to be filed and furnished in 2025.**

GENERAL REPORTING PENALTIES

A reporting entity that fails to comply with the Section 6055 and Section 6056 reporting requirements may be subject to the general reporting penalties for:

- + Failure to file correct information returns (under Code Section 6721); and
- + Failure to furnish correct payee statements (under Code Section 6722).

However, penalties may be waived if the failure is due to reasonable cause and not willful neglect. Penalties may also be reduced if the reporting entity corrects the failure within a certain period of time (see below).

ADJUSTED PENALTY AMOUNTS

For 2024 information returns and individual statements that are filed and furnished in 2025, the adjusted penalty amounts are as follows:

1. The penalty for failure to file an information return or provide an individual statement is **\$330** per return or statement (increased from \$310);
2. The penalty for returns that are corrected within 30 days after the due date, or statements corrected within 30 days after the required furnishing date, **remains at \$60** per return or statement;
3. For returns or statements corrected after 30 days but before Aug. 1, 2025, the penalty is **\$130** per return or statement (up from \$120); and
4. The penalty for failing to file a correct information return or provide a statement due to intentional disregard is **\$660** (up from \$630). In some cases, this penalty may be larger, as the penalty is equal to the greater of either the applicable amount or 10% of the aggregate amount of the items required to be reported correctly.

The maximum penalty amounts are different for small businesses and large businesses. Specifically, lower annual maximums apply to entities with average annual gross receipts of up to \$5 million for the three most recent taxable years. There is no maximum penalty for intentional disregard.

IRS RESOURCES

The IRS provides an [information return penalties webpage](#) that includes the applicable penalty amounts by year, as well as additional resources on how to calculate and pay the penalty.

IMPORTANT DATES

Prior Reporting Deadlines

The reporting deadlines for the 2023 calendar year, which took place in 2024, **have already passed.**

2025 Reporting Deadlines

The reporting deadlines for the 2024 calendar year, to which these increased penalties will apply, are as follows:

March 3, 2025

Individual statements for 2024 must be furnished within 30 days of Jan. 31, 2025. Because the deadline falls on a weekend, the individual statements must be furnished by the next business day, which is March 3, 2025.

March 31, 2025

Electronic IRS returns for 2024 must be filed by March 31, 2025.

