

IRS Publishes Final Regulations on Additional Medicare Tax

December 5, 2013

The Internal Revenue Service (the "IRS") published final regulations which provide guidance for employers and individuals relating to the implementation of the 0.9% Additional Hospital Insurance Tax on income above certain prescribed threshold amounts (the "**Additional Medicare Tax**"). The 0.9% Additional Medicare Tax was added by the Patient Protection and Affordable Care Act and generally applies to wages exceeding \$250,000 for married taxpayers filing a joint return, \$125,000 for married taxpayers filing separate returns, and \$200,000 for all other taxpayers. The regulations address the requirement that employers withhold the Additional Medicare Tax and file a return reporting this tax. The regulations also address the employer process for adjusting underpayments and overpayments of the Additional Medicare Tax and the employer and individual processes for filing a claim for a tax refund. The regulations are effective for quarters beginning on or after November 29, 2013. However, since the withholding rules have been in effect for all of 2013, employers and taxpayers may apply the proposed regulations to quarters prior to that date. The regulations are available [here](#).