Purpose

This report is intended to fulfill the Franchise Tax Board’s obligation under the Revenue and Taxation Code section 61050 to annually report by March 1, to the Legislature, and under the Revenue and Taxation Code section 61045 to report annually on the internet website, the total number of applicable households paying the penalty, the total penalty amounts imposed, the number and amount of state financial subsidies paid and adjustments made through reconciliation, and the number and amount of penalties collected under subdivision (j) of Section 61005.

Prepared by the Staff of the
Franchise Tax Board
STATE OF CALIFORNIA

Members of the Board:
Malia M. Cohen, Chair
Antonio Vazquez, Member
Joe Stephenshaw, Member

Executive Officer: Selvi Stanislaus

Published August 2023
Background

Chapter 38 of the Statutes of 2019 (SB 78) created the Minimum Essential Coverage Individual Mandate (mandate), a program similar to the Individual Shared Responsibility Payment administered by the Internal Revenue Service prior to December 31, 2018. Beginning January 1, 2020, California residents and their dependents are required to obtain and maintain minimum essential coverage, unless they qualified for an exemption from the mandate.

Pursuant to Part 32 (commencing with Section 61000) of the Revenue and Taxation Code, if an individual that is required to obtain minimum essential coverage under the mandate, does not obtain and maintain health care coverage or obtain an exemption, an Individual Shared Responsibility Penalty (Penalty) will be imposed, per uninsured person for each month they do not maintain minimum essential coverage.

When the individual files their California income tax return, the taxpayer verifies if the members of their household either had an exemption or maintained minimum essential coverage during the previous year. For those members of the household who did not have an exemption or who did not maintain minimum essential coverage for each month of the previous calendar year, a penalty is computed and paid.

In addition, taxpayers may be eligible to receive a premium assistance subsidy from the California Health Benefit Exchange (Exchange), also known as Covered California, to supplement the cost of purchasing insurance. Using the individual’s projected income, they can apply to the Exchange for an advanced premium assistance subsidy. At the end of each year, when the taxpayer files their California income tax return, they reconcile the advanced premium assistance subsidies received based on income projections against the premium assistance subsidies they were allowed based on their actual income.

Franchise Tax Board Statutory Reporting Requirements

Under Chapter 801 of the Statutes of 2019 (AB 414), the Franchise Tax Board is required to provide an annual report to the Legislature, no later than March 1, which includes:

- The total number of households paying the Penalty and the total number of dependents reported, by county and by adjusted gross income class.
- The total Penalty amounts imposed statewide, by county, and by adjusted gross income class.
- The total statewide Penalty amount imposed.
- The number and type of exemptions applied, and the most commonly claimed exemptions.
• The number of applicable households who pay the Penalty and the number of dependents claimed, by federal poverty level category.
• The number and amount of state financial subsidies paid and adjustments made through reconciliation, by county and by federal poverty level category.

Under Chapter 38 of the Statutes of 2019 (AB 78), the Franchise Tax Board is required to publish an annual report on its website which includes:

• The total number of applicable households paying the Penalty and the average penalty amount by applicable household income level.
• The number of applicable households paying the Penalty by county and statewide.
• The total Penalty amount collected.
• The number and type of the most commonly claimed exemptions.
• The number and total penalty amounts collected under subdivision (j) of Section 61005, the failure to report Penalty.

The information presented in this report is based on tax return data processed as of October 31, 2022.

Data

The March 1, 2023, Health Care Minimum Essential Coverage Individual Mandate Penalty Report includes timely filed and processed return data available as of October 31, 2022.

Beginning in taxable year 2020, California residents were required to maintain minimum essential coverage. For each month that a member of the household does not maintain minimum essential coverage a penalty is applied. Table 1 contains the total number households that owed the Penalty and the amount assessed.

Table 1: Process Year 2022 Individual Shared Responsibility Penalty Assessed**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Count</th>
<th>Assessed Amount</th>
<th>Average (Mean)</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Shared Responsibility Penalty Assessed</td>
<td>271,162</td>
<td>$311,564,689</td>
<td>$1,149</td>
<td>$800</td>
</tr>
</tbody>
</table>

** Returns Processed through October 31, 2022.

A review of the number of households reporting the penalty revealed that 5 counties (Los Angeles, Orange, Riverside, San Bernardino, and San Diego) represented just over 50 percent of the penalties imposed, Los Angeles County being the largest. Table 2 contains the total number of applicable households
reporting the penalty, the penalty amount assessed, and the total number of dependents reported by county.

Table 2: Process Year 2022 Individual Shared Responsibility Penalty Assessed**

<table>
<thead>
<tr>
<th>County</th>
<th>Assessed Count</th>
<th>Assessed Amount</th>
<th>Number of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALAMEDA</td>
<td>8,968</td>
<td>$11,257,859</td>
<td>2,652</td>
</tr>
<tr>
<td>ALPINE</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>AMADOR</td>
<td>250</td>
<td>$245,323</td>
<td>84</td>
</tr>
<tr>
<td>BUTTE</td>
<td>1,514</td>
<td>$1,392,336</td>
<td>435</td>
</tr>
<tr>
<td>CALAVERAS</td>
<td>322</td>
<td>$337,766</td>
<td>120</td>
</tr>
<tr>
<td>COLUSA</td>
<td>259</td>
<td>$224,761</td>
<td>137</td>
</tr>
<tr>
<td>CONTRA COSTA</td>
<td>5,140</td>
<td>$6,911,330</td>
<td>1,833</td>
</tr>
<tr>
<td>DEL NORTE</td>
<td>175</td>
<td>$141,399</td>
<td>67</td>
</tr>
<tr>
<td>EL DORADO</td>
<td>1,062</td>
<td>$1,221,694</td>
<td>365</td>
</tr>
<tr>
<td>FRESNO</td>
<td>6,609</td>
<td>$6,568,031</td>
<td>2,325</td>
</tr>
<tr>
<td>GLENN</td>
<td>281</td>
<td>$269,261</td>
<td>135</td>
</tr>
<tr>
<td>HUMBOLDT</td>
<td>1,255</td>
<td>$1,204,942</td>
<td>344</td>
</tr>
<tr>
<td>IMPERIAL</td>
<td>1,172</td>
<td>$1,197,791</td>
<td>620</td>
</tr>
<tr>
<td>INYO</td>
<td>151</td>
<td>$137,281</td>
<td>63</td>
</tr>
<tr>
<td>KERN</td>
<td>4,393</td>
<td>$4,275,261</td>
<td>1,673</td>
</tr>
<tr>
<td>KINGS</td>
<td>630</td>
<td>$553,910</td>
<td>281</td>
</tr>
<tr>
<td>LAKE</td>
<td>494</td>
<td>$487,618</td>
<td>150</td>
</tr>
<tr>
<td>LASSEN</td>
<td>107</td>
<td>$112,099</td>
<td>31</td>
</tr>
<tr>
<td>LOS ANGELES</td>
<td>68,341</td>
<td>$74,885,177</td>
<td>21,085</td>
</tr>
<tr>
<td>MADERA</td>
<td>818</td>
<td>$866,025</td>
<td>414</td>
</tr>
<tr>
<td>MARIN</td>
<td>1,439</td>
<td>$2,575,640</td>
<td>592</td>
</tr>
<tr>
<td>MARIPOSA</td>
<td>110</td>
<td>$99,997</td>
<td>20</td>
</tr>
<tr>
<td>MENDOCINO</td>
<td>878</td>
<td>$914,004</td>
<td>327</td>
</tr>
<tr>
<td>MERCED</td>
<td>1,564</td>
<td>$1,454,534</td>
<td>763</td>
</tr>
<tr>
<td>MODOC</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MONO</td>
<td>174</td>
<td>$186,508</td>
<td>52</td>
</tr>
<tr>
<td>MONTEREY</td>
<td>2,676</td>
<td>$2,886,653</td>
<td>1,020</td>
</tr>
<tr>
<td>NAPA</td>
<td>930</td>
<td>$1,020,253</td>
<td>414</td>
</tr>
<tr>
<td>NEVADA</td>
<td>772</td>
<td>$871,042</td>
<td>266</td>
</tr>
<tr>
<td>ORANGE</td>
<td>21,951</td>
<td>$25,183,864</td>
<td>7,973</td>
</tr>
<tr>
<td>PLACER</td>
<td>2,036</td>
<td>$2,462,333</td>
<td>753</td>
</tr>
<tr>
<td>PLUMAS</td>
<td>148</td>
<td>$157,116</td>
<td>30</td>
</tr>
<tr>
<td>RIVERSIDE</td>
<td>17,049</td>
<td>$17,430,738</td>
<td>7,600</td>
</tr>
<tr>
<td>SACRAMENTO</td>
<td>8,768</td>
<td>$8,560,094</td>
<td>2,553</td>
</tr>
<tr>
<td>SAN BENITO</td>
<td>536</td>
<td>$526,642</td>
<td>275</td>
</tr>
<tr>
<td>SAN BERNARDINO</td>
<td>15,100</td>
<td>$15,212,792</td>
<td>6,864</td>
</tr>
<tr>
<td>SAN DIEGO</td>
<td>26,164</td>
<td>$28,224,996</td>
<td>9,923</td>
</tr>
</tbody>
</table>
Table 3 contains the total number of applicable households that reported the penalty, the total number of dependents for whom applicable households owed the penalty and the total penalty amounts assessed by adjusted gross income.

**Table 3: Process Year 2022 Individual Shared Responsibility Penalty Assessed by AGI**

<table>
<thead>
<tr>
<th>AGI Class***</th>
<th>Assessed Count</th>
<th>Assessed Amount</th>
<th>Average Penalty</th>
<th>Number of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ NEGATIVE</td>
<td>51</td>
<td>$59,660</td>
<td>$1,170</td>
<td>11</td>
</tr>
<tr>
<td>$0 TO $9,999</td>
<td>547</td>
<td>$432,094</td>
<td>$790</td>
<td>61</td>
</tr>
<tr>
<td>$10,000 TO $19,999</td>
<td>4,245</td>
<td>$2,750,058</td>
<td>$648</td>
<td>98</td>
</tr>
<tr>
<td>$20,000 TO $29,999</td>
<td>48,346</td>
<td>$29,902,915</td>
<td>$619</td>
<td>153</td>
</tr>
</tbody>
</table>

* This data cannot be disclosed because the number of returns is too small under state privacy rules.
** Returns Processed through October 31, 2022.
***Includes resident taxpayers who filed using an out of state address.
<table>
<thead>
<tr>
<th>AGI Class***</th>
<th>Assessed Count</th>
<th>Assessed Amount</th>
<th>Average Penalty</th>
<th>Number of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000 TO $39,999</td>
<td>47,461</td>
<td>$30,343,207</td>
<td>$639</td>
<td>4,547</td>
</tr>
<tr>
<td>$40,000 TO $49,999</td>
<td>37,367</td>
<td>$26,154,328</td>
<td>$700</td>
<td>8,092</td>
</tr>
<tr>
<td>$50,000 TO $59,999</td>
<td>28,214</td>
<td>$22,817,121</td>
<td>$809</td>
<td>9,042</td>
</tr>
<tr>
<td>$60,000 TO $69,999</td>
<td>22,427</td>
<td>$21,794,864</td>
<td>$972</td>
<td>13,015</td>
</tr>
<tr>
<td>$70,000 TO $79,999</td>
<td>16,835</td>
<td>$18,612,463</td>
<td>$1,106</td>
<td>11,875</td>
</tr>
<tr>
<td>$80,000 TO $89,999</td>
<td>12,205</td>
<td>$14,949,290</td>
<td>$1,225</td>
<td>9,100</td>
</tr>
<tr>
<td>$90,000 TO $99,999</td>
<td>8,956</td>
<td>$12,184,055</td>
<td>$1,360</td>
<td>6,904</td>
</tr>
<tr>
<td>$100,000 TO $124,999</td>
<td>13,941</td>
<td>$22,326,284</td>
<td>$1,601</td>
<td>10,726</td>
</tr>
<tr>
<td>$125,000 TO $149,999</td>
<td>7,500</td>
<td>$15,241,770</td>
<td>$2,032</td>
<td>5,720</td>
</tr>
<tr>
<td>$150,000 TO $174,999</td>
<td>4,816</td>
<td>$11,942,070</td>
<td>$2,480</td>
<td>3,468</td>
</tr>
<tr>
<td>$175,000 TO $199,999</td>
<td>3,206</td>
<td>$9,225,199</td>
<td>$2,877</td>
<td>2,207</td>
</tr>
<tr>
<td>$200,000 TO $249,999</td>
<td>3,987</td>
<td>$13,336,396</td>
<td>$3,345</td>
<td>2,770</td>
</tr>
<tr>
<td>$250,000 TO $299,999</td>
<td>2,363</td>
<td>$9,339,160</td>
<td>$3,952</td>
<td>1,696</td>
</tr>
<tr>
<td>$300,000 TO $349,999</td>
<td>1,575</td>
<td>$7,159,770</td>
<td>$4,546</td>
<td>1,115</td>
</tr>
<tr>
<td>$350,000 TO $399,999</td>
<td>1,026</td>
<td>$5,112,575</td>
<td>$4,983</td>
<td>768</td>
</tr>
<tr>
<td>$400,000 TO $449,999</td>
<td>822</td>
<td>$4,277,790</td>
<td>$5,204</td>
<td>602</td>
</tr>
<tr>
<td>$450,000 TO $499,999</td>
<td>662</td>
<td>$3,620,782</td>
<td>$5,469</td>
<td>487</td>
</tr>
<tr>
<td>$500,000 TO $599,999</td>
<td>932</td>
<td>$5,375,726</td>
<td>$5,768</td>
<td>706</td>
</tr>
<tr>
<td>$600,000 TO $699,999</td>
<td>621</td>
<td>$3,910,050</td>
<td>$6,296</td>
<td>463</td>
</tr>
<tr>
<td>$700,000 TO $799,999</td>
<td>473</td>
<td>$3,093,142</td>
<td>$6,539</td>
<td>357</td>
</tr>
<tr>
<td>$800,000 TO $899,999</td>
<td>323</td>
<td>$2,208,604</td>
<td>$6,838</td>
<td>253</td>
</tr>
<tr>
<td>$900,000 TO $999,999</td>
<td>246</td>
<td>$1,697,942</td>
<td>$6,902</td>
<td>217</td>
</tr>
<tr>
<td>$1,000,000 TO $1,999,999</td>
<td>1,093</td>
<td>$7,271,732</td>
<td>$6,653</td>
<td>835</td>
</tr>
<tr>
<td>$2,000,000 TO $2,999,999</td>
<td>322</td>
<td>$2,297,018</td>
<td>$7,134</td>
<td>292</td>
</tr>
<tr>
<td>$3,000,000 TO $3,999,999</td>
<td>144</td>
<td>$1,046,136</td>
<td>$7,265</td>
<td>207</td>
</tr>
<tr>
<td>$4,000,000 TO $4,999,999</td>
<td>95</td>
<td>$608,732</td>
<td>$6,408</td>
<td>95</td>
</tr>
<tr>
<td>$5,000,000 TO $HIGH</td>
<td>361</td>
<td>$2,473,756</td>
<td>$6,853</td>
<td>320</td>
</tr>
<tr>
<td>Total</td>
<td>271,162</td>
<td>$311,564,689</td>
<td>$1,149</td>
<td>96,124</td>
</tr>
</tbody>
</table>

* This data cannot be disclosed because the number of returns is too small under state privacy rules.
** Returns Processed through October 31, 2022.
***Penalties issued in exempt income ranges are due to taxpayer error, corrections or adjustment made in post processing are not captured in this report.

The poverty guidelines (also known as the federal poverty level) are a federal poverty measure issued each year by the Department of Health and Human Services. The guidelines are applied by number of persons in the household. For calendar year 2021, the federal poverty level for a single member household was $12,880 and $26,500 for a four person household.
Table 4 contains the number of applicable households who reported they owed the penalty, the amount of penalty assessed, and the number of dependents claimed by federal poverty level category.

**Table 4: Process Year 2022 Individual Shared Responsibility Penalty by Federal Poverty Level**

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>Assessed Count</th>
<th>Assessed Amount</th>
<th>Number of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income less than 139% of the Federal Poverty Level***</td>
<td>1,436</td>
<td>$1,222,935</td>
<td>569</td>
</tr>
<tr>
<td>Income between 139% and 266% of the Federal Poverty Level</td>
<td>92,134</td>
<td>$64,421,205</td>
<td>30,205</td>
</tr>
<tr>
<td>Income between 267% and 400% of the Federal Poverty Level</td>
<td>83,614</td>
<td>$65,799,893</td>
<td>33,068</td>
</tr>
<tr>
<td>Income greater than 400% of the Federal Poverty Level</td>
<td>93,978</td>
<td>$180,120,656</td>
<td>32,282</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>271,162</strong></td>
<td><strong>$311,564,689</strong></td>
<td><strong>96,124</strong></td>
</tr>
</tbody>
</table>

** Returns Processed through October 31, 2022.
***Penalties issued in exempt income ranges are due to taxpayer error, corrections or adjustment made in post processing are not captured in this report.

When the individual files their California income tax return, the taxpayer verifies the members of their applicable household and reports on each member's health coverage. If the taxpayer is unable to check the full year coverage box, which covers all members of the family on the form 540, the taxpayer fills out form 3853 and reports any applicable exemptions for each member of the household by month. For purposes of reporting on form 3853, when a taxpayer or member of their applicable household does not have coverage for the entire year, the individual claims an exemption for maintaining minimum essential coverage for the months that they have coverage. On form 3853, members of the applicable household that maintain minimum essential coverage for the full year can claim a full year exemption.

The below table is an example of how form 3853 might look for a three-member household. Member 1 was able to maintain minimum essential coverage (MEC) for the entire year, Member 2 maintained intermittent coverage, and Member 3 reported two different exemptions over the year.
<table>
<thead>
<tr>
<th>Household Member</th>
<th>Member 1</th>
<th>Member 2</th>
<th>Member 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Year</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
</tr>
<tr>
<td>January</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Living abroad</td>
</tr>
<tr>
<td>February</td>
<td>Maintained MEC</td>
<td>Living abroad</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>Maintained MEC</td>
<td>Living abroad</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>Living abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>Living abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>Living abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>Living abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>Maintained MEC</td>
<td>Living abroad</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
</tr>
<tr>
<td>October</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
</tr>
<tr>
<td>November</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
</tr>
<tr>
<td>December</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
<td>Maintained MEC</td>
</tr>
</tbody>
</table>

For the process year 2022, over 580,000 full year exemptions and over 3.1 million monthly exemptions were reported for applicable household members (see Table 5 for exemptions types applied for a full year and Table 6 for exemptions types applied by month). The Exchange grants exemptions from the mandate for reasons of hardship or religious conscience by issuing a certificate of exemption. The other exemptions can be claimed when filing the tax return. The four most common full year exemptions used were:

- Member of household maintained minimum essential coverage*
- Certain citizens living abroad/residents of another state or U.S. territory
- Non-resident/Part-year resident
- Health coverage is considered unaffordable (exceeded 8.27% of household income for the 2021 year)

For more detail on the exemptions codes please see form 3853 instructions.
<table>
<thead>
<tr>
<th>Full Year Exemption</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household member maintains minimum essential coverage *</td>
<td>191,456</td>
</tr>
<tr>
<td>Certain citizens living abroad/residents of another state or U.S. territory</td>
<td>133,427</td>
</tr>
<tr>
<td>Non-Resident/Part Year Resident</td>
<td>122,807</td>
</tr>
<tr>
<td>Health coverage is considered unaffordable (exceeded 8.27% of household income for the 2021 tax year and 8.24% for the 2020 tax year)</td>
<td>103,379</td>
</tr>
<tr>
<td>Families’ self-only coverage combined cost is unaffordable</td>
<td>15,842</td>
</tr>
<tr>
<td>Members of health care sharing ministry</td>
<td>5,834</td>
</tr>
<tr>
<td>Enrolled in limited or restricted-scope Medi-Cal or other coverage from the California Department of Health Care Services</td>
<td>4,758</td>
</tr>
<tr>
<td>General hardship</td>
<td>2,399</td>
</tr>
<tr>
<td>Members of federally-recognized Indian tribes including Alaskan Natives</td>
<td>1,672</td>
</tr>
<tr>
<td>Coverage considered unaffordable based on projected income as determined by the Exchange</td>
<td>1,144</td>
</tr>
<tr>
<td>Incarceration (other than incarceration pending the disposition of charges)</td>
<td>270</td>
</tr>
<tr>
<td>Members of certain religious sects</td>
<td>243</td>
</tr>
<tr>
<td>Member of applicable household born or adopted during the year</td>
<td>154</td>
</tr>
<tr>
<td>Member of applicable household died during the year</td>
<td>104</td>
</tr>
<tr>
<td>Short coverage gap of three consecutive months or less</td>
<td>64</td>
</tr>
<tr>
<td>Taxpayer entered an unused exemption code</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>583,606</strong></td>
</tr>
</tbody>
</table>

* Individuals who have minimum essential coverage for the full year, but are unable to check the box on the return for full year coverage for their entire applicable household claim an exemption for full year coverage on form 3853.

** Returns Processed through October 31, 2022.
Table 6: Process Year 2022 Monthly Exemptions Reported**

<table>
<thead>
<tr>
<th>Monthly Exemptions</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household member maintains minimum essential coverage *</td>
<td>2,111,002</td>
</tr>
<tr>
<td>Health coverage is considered unaffordable (exceeded 8.27% of household income for the 2021 tax year and 8.24% for the 2020 tax year)</td>
<td>397,691</td>
</tr>
<tr>
<td>Non-Resident/Part Year Resident</td>
<td>214,962</td>
</tr>
<tr>
<td>Short coverage gap of three consecutive months or less</td>
<td>185,444</td>
</tr>
<tr>
<td>Certain citizens living abroad/residents of another state or U.S. territory</td>
<td>66,240</td>
</tr>
<tr>
<td>Families’ self-only coverage combined cost is unaffordable</td>
<td>50,997</td>
</tr>
<tr>
<td>Enrolled in limited or restricted-scope Medi-Cal or other coverage from the California Department of Health Care Services</td>
<td>32,976</td>
</tr>
<tr>
<td>Member of applicable household born or adopted during the year</td>
<td>30,663</td>
</tr>
<tr>
<td>General hardship</td>
<td>12,569</td>
</tr>
<tr>
<td>Members of health care sharing ministry</td>
<td>9,080</td>
</tr>
<tr>
<td>Member of applicable household died during the year</td>
<td>7,195</td>
</tr>
<tr>
<td>Coverage considered unaffordable based on projected income as determined by the Exchange</td>
<td>3,750</td>
</tr>
<tr>
<td>Members of certain religious sects</td>
<td>2,296</td>
</tr>
<tr>
<td>Incarceration (other than incarceration pending the disposition of charges)</td>
<td>2,042</td>
</tr>
<tr>
<td>Members of federally-recognized Indian tribes including Alaskan Natives</td>
<td>1,130</td>
</tr>
<tr>
<td>Taxpayer entered an unused exemption code</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,128,115</strong></td>
</tr>
</tbody>
</table>

* Individuals who have minimum essential coverage for the full year but are unable to check the box on the return for full year coverage for their entire applicable household claim an exemption for full year coverage on form 3853.

** Returns Processed through October 31, 2022.

**Premium Assistance Subsidy**

Beginning in taxable year 2020, under Title 25 (commencing with Section 100800) of the Government Code, the Exchange provides health care...
coverage financial assistance, known as the premium assistance subsidy (subsidy), to California residents with household incomes at or below 600 percent of the federal poverty level. The subsidy is subject to reconciliation against actual household income, family size, and other factors when the responsible individual files their California income tax return.

Using projected income, the individual can apply to the Exchange for an advanced premium assistance subsidy (advanced subsidy), generally done at the beginning of each year. At the end of each year, when the taxpayer files their California income tax return, they reconcile the advanced subsidies received based on income projections against the subsidies they were allowed based on their actual income.

On March 11, 2021, the president of the United States signed the American Rescue Plan Act expanding the amount of Federal Premium Tax Credit (FPTC) available to taxpayers. The additional Federal financial assistance was made available to taxpayers, retroactive to January 1, 2021. As a result of the federal expansion, California taxpayers were no longer eligible for the premium assistance subsidy, including the advanced premium assistance subsidy they received from January through April. The advance premium assistance subsidies received during the 2021 taxable year were subject to reconciliation.

Table 7 contains the number and amount of California premium assistance subsidies reported by county.

**Table 7: Process Year 2022 Subsidies Allowed by County**

<table>
<thead>
<tr>
<th>County</th>
<th>Count of Subsidies Allowed</th>
<th>Amount of Subsidies Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALAMEDA</td>
<td>342</td>
<td>$391,521</td>
</tr>
<tr>
<td>ALPINE</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>AMADOR</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>BUTTE</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>CALAVERAS</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>COLUSA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>CONTRA COSTA</td>
<td>121</td>
<td>$264,485</td>
</tr>
<tr>
<td>DEL NORTE</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>EL DORADO</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>FRENO</td>
<td>156</td>
<td>$90,518</td>
</tr>
<tr>
<td>GLENN</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>HUMBOLDT</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>IMPERIAL</td>
<td>122</td>
<td>$98,733</td>
</tr>
<tr>
<td>INYO</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>KERN</td>
<td>91</td>
<td>$31,743</td>
</tr>
<tr>
<td>County</td>
<td>Count of Subsidies Allowed</td>
<td>Amount of Subsidies Allowed</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>KINGS</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>LAKE</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>LASSEN</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>LOS ANGELES</td>
<td>1,533</td>
<td>$928,236</td>
</tr>
<tr>
<td>MADERA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MARIN</td>
<td>27</td>
<td>$68,226</td>
</tr>
<tr>
<td>MARIPOSA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MENDOCINO</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MERCED</td>
<td>114</td>
<td>$71,124</td>
</tr>
<tr>
<td>MODOC</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MONO</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>MONTEREY</td>
<td>26</td>
<td>$111,456</td>
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<tr>
<td>NAPA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>NEVADA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>ORANGE</td>
<td>436</td>
<td>$294,428</td>
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<tr>
<td>PLACER</td>
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<td>$68,045</td>
</tr>
<tr>
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<td>*</td>
</tr>
<tr>
<td>RIVERSIDE</td>
<td>345</td>
<td>$225,227</td>
</tr>
<tr>
<td>SACRAMENTO</td>
<td>154</td>
<td>$179,508</td>
</tr>
<tr>
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<td>*</td>
<td>*</td>
</tr>
<tr>
<td>SAN BERNARDINO</td>
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<td>$132,497</td>
</tr>
<tr>
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<td>357</td>
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</tr>
<tr>
<td>SAN FRANCISCO</td>
<td>64</td>
<td>$102,992</td>
</tr>
<tr>
<td>SAN JOAQUIN</td>
<td>52</td>
<td>$63,128</td>
</tr>
<tr>
<td>SAN LUIS OBIPO</td>
<td>28</td>
<td>$40,012</td>
</tr>
<tr>
<td>SAN MATEO</td>
<td>65</td>
<td>$136,493</td>
</tr>
<tr>
<td>SANTA BARBARA</td>
<td>37</td>
<td>$85,667</td>
</tr>
<tr>
<td>SANTA CLARA</td>
<td>162</td>
<td>$291,382</td>
</tr>
<tr>
<td>SANTA CRUZ</td>
<td>46</td>
<td>$76,767</td>
</tr>
<tr>
<td>SHASTA</td>
<td>48</td>
<td>$77,776</td>
</tr>
<tr>
<td>SIERRA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>SISKIYOU</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>SOLANO</td>
<td>41</td>
<td>$71,269</td>
</tr>
<tr>
<td>SONOMA</td>
<td>95</td>
<td>$123,767</td>
</tr>
<tr>
<td>STANISLAUS</td>
<td>72</td>
<td>$92,245</td>
</tr>
<tr>
<td>SUTTER</td>
<td>*</td>
<td>*</td>
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<td>*</td>
<td>*</td>
</tr>
<tr>
<td>TRINITY</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>TULARE</td>
<td>70</td>
<td>$69,794</td>
</tr>
<tr>
<td>TUOLUMNE</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>County</td>
<td>Count of Subsidies Allowed</td>
<td>Amount of Subsidies Allowed</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>VENTURA</td>
<td>68</td>
<td>$160,243</td>
</tr>
<tr>
<td>YOLO</td>
<td>42</td>
<td>$26,661</td>
</tr>
<tr>
<td>YUBA</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>OTHER***</td>
<td>45</td>
<td>$43,036</td>
</tr>
<tr>
<td>Total</td>
<td>5,214</td>
<td>$5,066,840</td>
</tr>
</tbody>
</table>

* This data cannot be disclosed because the number of returns is too small under state privacy rules.
** Returns Processed through October 31, 2022.
***Includes resident taxpayers who filed using an out of state address.

Table 8 contains the number and amount of California premium assistance subsidies paid by federal poverty level.

**Table 8: Process Year 2022 Subsidies Allowed by Federal Poverty Level**

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>Count of Subsidies Allowed</th>
<th>Amount of Subsidies Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income less than 139% of the Federal Poverty Level</td>
<td>1,272</td>
<td>$881,049</td>
</tr>
<tr>
<td>Income between 139% and 266% of the Federal Poverty Level</td>
<td>2,009</td>
<td>$908,411</td>
</tr>
<tr>
<td>Income between 267% and 400% of the Federal Poverty Level</td>
<td>1,395</td>
<td>$1,159,938</td>
</tr>
<tr>
<td>Income greater than 400% of the Federal Poverty Level</td>
<td>538</td>
<td>$2,117,442</td>
</tr>
<tr>
<td>Total</td>
<td>5,214</td>
<td>$5,066,840</td>
</tr>
</tbody>
</table>

** Returns Processed through October 31, 2022.

When the taxpayer files their California income tax return they are required to reconcile any advanced subsidies received from the Exchange against the subsidies they are allowed, based on a number of factors, including actual income and amount of FPTC. Tables 9 and 10 include the number and amount of subsidies reconciled by taxpayers who received advanced subsidies. The taxpayer is either owed a refund because the advanced subsidy amount was underpaid or the taxpayer must reimburse the state for the overpaid advanced subsidies received.

Table 9 contains the number and amount of adjustments made through reconciliation by county.
Table 9: Process Year 2022 Subsidy Reconciliation by County**

<table>
<thead>
<tr>
<th>County</th>
<th>Count of Subsidies Refunded to Taxpayers</th>
<th>Amount of Subsidies Refunded to Taxpayers</th>
<th>Count of Subsidies Repaid by Taxpayers</th>
<th>Amount of Subsidies Repaid by Taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALAMEDA</td>
<td>136</td>
<td>$100,739</td>
<td>16,204</td>
<td>$5,454,988</td>
</tr>
<tr>
<td>ALPINE</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>AMADOR</td>
<td>*</td>
<td>*</td>
<td>381</td>
<td>$105,875</td>
</tr>
<tr>
<td>BUTTE</td>
<td>27</td>
<td>$59,183</td>
<td>1,676</td>
<td>$591,993</td>
</tr>
<tr>
<td>CALAVERAS</td>
<td>*</td>
<td>*</td>
<td>558</td>
<td>$240,772</td>
</tr>
<tr>
<td>COLUSA</td>
<td>*</td>
<td>*</td>
<td>251</td>
<td>$78,633</td>
</tr>
<tr>
<td>CONTRA COSTA</td>
<td>86</td>
<td>$148,696</td>
<td>10,128</td>
<td>$4,243,143</td>
</tr>
<tr>
<td>DEL NORTE</td>
<td>*</td>
<td>*</td>
<td>151</td>
<td>$72,802</td>
</tr>
<tr>
<td>EL DORADO</td>
<td>30</td>
<td>$20,571</td>
<td>2,029</td>
<td>$739,081</td>
</tr>
<tr>
<td>FRESNO</td>
<td>77</td>
<td>$67,332</td>
<td>4,814</td>
<td>$973,036</td>
</tr>
<tr>
<td>GLENN</td>
<td>*</td>
<td>*</td>
<td>248</td>
<td>$65,552</td>
</tr>
<tr>
<td>HUMBOLDT</td>
<td>21</td>
<td>$59,231</td>
<td>1,651</td>
<td>$563,829</td>
</tr>
<tr>
<td>IMPERIAL</td>
<td>*</td>
<td>*</td>
<td>860</td>
<td>$319,363</td>
</tr>
<tr>
<td>INYO</td>
<td>*</td>
<td>*</td>
<td>128</td>
<td>$55,934</td>
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<tr>
<td>KERN</td>
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<td>$14,394</td>
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<td>$732,359</td>
</tr>
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<td>KING S</td>
<td>*</td>
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<td>520</td>
<td>$129,864</td>
</tr>
<tr>
<td>LAKE</td>
<td>*</td>
<td>*</td>
<td>552</td>
<td>$201,361</td>
</tr>
<tr>
<td>LASSEN</td>
<td>*</td>
<td>*</td>
<td>125</td>
<td>$52,490</td>
</tr>
<tr>
<td>LOS ANGELES</td>
<td>949</td>
<td>$290,823</td>
<td>68,270</td>
<td>$12,446,307</td>
</tr>
<tr>
<td>MADERA</td>
<td>*</td>
<td>*</td>
<td>880</td>
<td>$192,721</td>
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<tr>
<td>MARIN</td>
<td>33</td>
<td>$29,057</td>
<td>2,710</td>
<td>$1,056,811</td>
</tr>
<tr>
<td>MARIPOSA</td>
<td>*</td>
<td>*</td>
<td>138</td>
<td>$48,431</td>
</tr>
<tr>
<td>MENDOCINO</td>
<td>*</td>
<td>*</td>
<td>1,091</td>
<td>$406,456</td>
</tr>
<tr>
<td>MERCED</td>
<td>*</td>
<td>*</td>
<td>1,773</td>
<td>$601,907</td>
</tr>
<tr>
<td>MODOC</td>
<td>*</td>
<td>*</td>
<td>57</td>
<td>$46,549</td>
</tr>
<tr>
<td>MONO</td>
<td>*</td>
<td>*</td>
<td>156</td>
<td>$90,431</td>
</tr>
<tr>
<td>MONTEREY</td>
<td>34</td>
<td>$115,187</td>
<td>3,039</td>
<td>$1,459,372</td>
</tr>
<tr>
<td>NAPA</td>
<td>*</td>
<td>*</td>
<td>1,318</td>
<td>$393,317</td>
</tr>
<tr>
<td>NEVADA</td>
<td>*</td>
<td>*</td>
<td>1,761</td>
<td>$875,124</td>
</tr>
<tr>
<td>ORANGE</td>
<td>259</td>
<td>$142,811</td>
<td>25,305</td>
<td>$5,253,401</td>
</tr>
<tr>
<td>PLACER</td>
<td>44</td>
<td>$62,465</td>
<td>3,698</td>
<td>$1,215,057</td>
</tr>
<tr>
<td>PLUMAS</td>
<td>*</td>
<td>*</td>
<td>280</td>
<td>$121,121</td>
</tr>
<tr>
<td>RIVERSIDE</td>
<td>180</td>
<td>$79,388</td>
<td>13,419</td>
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<tr>
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<td>$74,754</td>
<td>11,823</td>
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<td>*</td>
<td>479</td>
<td>$160,043</td>
</tr>
<tr>
<td>SAN BERNARDINO</td>
<td>155</td>
<td>$91,239</td>
<td>11,391</td>
<td>$2,208,509</td>
</tr>
<tr>
<td>County</td>
<td>Count of Subsidies Refunded to Taxpayers</td>
<td>Amount of Subsidies Refunded to Taxpayers</td>
<td>Count of Subsidies Repaid by Taxpayers</td>
<td>Amount of Subsidies Repaid by Taxpayers</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------------------------</td>
<td>------------------------------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>SAN DIEGO</td>
<td>285</td>
<td>$119,465</td>
<td>20,545</td>
<td>$4,386,125</td>
</tr>
<tr>
<td>SAN FRANCISCO</td>
<td>51</td>
<td>$52,730</td>
<td>8,414</td>
<td>$2,409,132</td>
</tr>
<tr>
<td>SAN JOAQUIN</td>
<td>84</td>
<td>$59,925</td>
<td>6,033</td>
<td>$1,361,504</td>
</tr>
<tr>
<td>SAN LUIS OBIPO</td>
<td>32</td>
<td>$31,412</td>
<td>3,275</td>
<td>$1,038,757</td>
</tr>
<tr>
<td>SAN MATEO</td>
<td>41</td>
<td>$75,430</td>
<td>6,465</td>
<td>$2,286,669</td>
</tr>
<tr>
<td>SANTA BARBARA</td>
<td>28</td>
<td>$46,860</td>
<td>3,689</td>
<td>$1,299,083</td>
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<tr>
<td>SANTA CLARA</td>
<td>93</td>
<td>$99,820</td>
<td>13,267</td>
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<tr>
<td>SANTA CRUZ</td>
<td>26</td>
<td>$14,935</td>
<td>2,868</td>
<td>$910,994</td>
</tr>
<tr>
<td>SHASTA</td>
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<td>*</td>
<td>1,859</td>
<td>$743,523</td>
</tr>
<tr>
<td>SIERRA</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>SISKIYOU</td>
<td>*</td>
<td>*</td>
<td>423</td>
<td>$173,577</td>
</tr>
<tr>
<td>SOLANO</td>
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<td>$32,825</td>
<td>3,067</td>
<td>$917,473</td>
</tr>
<tr>
<td>SONOMA</td>
<td>54</td>
<td>$32,993</td>
<td>5,661</td>
<td>$1,805,761</td>
</tr>
<tr>
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<td>49</td>
<td>$26,516</td>
<td>4,155</td>
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<tr>
<td>SUTTER</td>
<td>*</td>
<td>*</td>
<td>961</td>
<td>$276,549</td>
</tr>
<tr>
<td>TEBAMA</td>
<td>*</td>
<td>*</td>
<td>427</td>
<td>$191,625</td>
</tr>
<tr>
<td>TRINITY</td>
<td>*</td>
<td>*</td>
<td>139</td>
<td>$56,107</td>
</tr>
<tr>
<td>TULARE</td>
<td>*</td>
<td>*</td>
<td>2,096</td>
<td>$574,979</td>
</tr>
<tr>
<td>TUOLUMNE</td>
<td>*</td>
<td>*</td>
<td>552</td>
<td>$198,919</td>
</tr>
<tr>
<td>VENTURA</td>
<td>78</td>
<td>$54,124</td>
<td>8,296</td>
<td>$2,200,851</td>
</tr>
<tr>
<td>YOLO</td>
<td>*</td>
<td>*</td>
<td>1,413</td>
<td>$397,490</td>
</tr>
<tr>
<td>YUBA</td>
<td>*</td>
<td>*</td>
<td>537</td>
<td>$140,450</td>
</tr>
<tr>
<td>OTHER***</td>
<td>66</td>
<td>$70,335</td>
<td>5,385</td>
<td>$1,625,179</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,320</strong></td>
<td><strong>$2,347,580</strong></td>
<td><strong>290,784</strong></td>
<td><strong>$74,584,959</strong></td>
</tr>
</tbody>
</table>

* This data cannot be disclosed because the number of returns is too small under state privacy rules.
** Returns Processed through October 31, 2022.
*** Includes resident taxpayers who filed using an out of state address.
Table 10 contains the number and amount of adjustments made through reconciliation by federal poverty level.

**Table 10: Process Year 2022 Subsidy Reconciliation by Federal Poverty Level**

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>Count of Subsidies Refunded to Taxpayers</th>
<th>Amount of Subsidies Refunded to Taxpayers</th>
<th>Count of Subsidies Repaid by Taxpayers</th>
<th>Amount of Subsidies Repaid by Taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income less than 139% of the Federal Poverty Level</td>
<td>1,329</td>
<td>$278,348</td>
<td>55,248</td>
<td>$8,258,040</td>
</tr>
<tr>
<td>Income between 139% and 266% of the Federal Poverty Level</td>
<td>971</td>
<td>$309,671</td>
<td>83,076</td>
<td>$14,083,651</td>
</tr>
<tr>
<td>Income between 267% and 400% of the Federal Poverty Level</td>
<td>792</td>
<td>$758,066</td>
<td>81,451</td>
<td>$18,393,185</td>
</tr>
<tr>
<td>Income greater than 400% of the Federal Poverty Level</td>
<td>228</td>
<td>$1,001,495</td>
<td>71,009</td>
<td>$33,850,083</td>
</tr>
<tr>
<td>Total</td>
<td>3,320</td>
<td>$2,347,580</td>
<td>290,784</td>
<td>$74,584,959</td>
</tr>
</tbody>
</table>

** Returns Processed through October 31, 2022

In addition, in compliance with Revenue and Taxation Code Section 61045, the Franchise Tax Board is required to issue a penalty for the failure to report health coverage information to “applicable entities”. At this time, the Franchise Tax Board is currently evaluating whether any “applicable entities” are subject to the penalty, but no penalties have been issued to date.