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## COVID-19 Resource Center

On your road to recovery, lean on Sax for up-to-date information relevant to your state and business.

## NET INVESTMENT INCOME (NII) TAX PROTECTIVE REFUND CLAIMS

The Supreme Court recently announced that it would render a decision in 2021 on the validity of the 2010 Patient Protection and Affordable Care Act (ACA) that may impact certain taxes you paid in prior years. There is a remote possibility that the 3.8% net investment income tax, the 0.9% additional Medicare tax for 2016 or later tax years may be available for refund.

Because the statute of limitations on the 2016 tax year will close before a final decision is rendered in this case, if you wish to preserve the opportunity to seek a refund of these taxes, you can file a protective claim for refund. A protective claim for refund informs the IRS to keep the tax year open (generally for refund purposes only) until the court case is decided.

If you filed your 2016 tax return on or before July 15, 2017, your due date for filing a protective claim for 2016 is July 15, 2020. If you filed your 2016 tax return after July 15, 2017, your due date for filing a 2016 protective claim is three years from the date you filed your 2016 return.

We recommend that you contact your Sax advisor before the statute of limitations expires to have a further discussion if you are interested in filing a protective refund claim.