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March 10, 2023

Via Electronic Portal Delivery

To Requester:
The Augusta Press
Augusta, Georgia

Re: Open Records Act Request 23:404 to Augusta, Georgia

Dear Requester:

This law firm has been engaged to represent the Augusta, Georgia, in connection with certain tax matters pertaining to its role as an employer denominated by the United States Internal Revenue Service as "Augusta – Richmond County Government."

Augusta acknowledges receipt of an Open Records Act request that has been assigned reference number 23:404, seeking the following category of documents:

Copy of all documents received from the IRS related to the city of Augusta and the Affordable cares act violations and financial penalties. please include all documents received in the last 12 months.

Augusta – Richmond County Government does not believe that it has violated any requirements of the Affordable Care Act. In particular, since the law came into effect, Augusta – Richmond County Government provided employees health insurance coverage that meets the requirements of the Affordable Care Act. The government also complied with reporting requirements as to its employees by providing Form 1095-C records to employees confirming the periods in which they had employer-provided health care coverage (or elected to not have such coverage).

Within the last year, August – Richmond County Government became aware that the Internal Revenue Service was attempting to collect a penalty from the government in its role as an employer. The notice provided by the IRS, a copy of which is produced herewith, does not indicate that the penalty relates to the Affordable Care Act. The notice states simply that it pertains to a civil penalty.

Augusta – Richmond County Government has not yet ascertained the factual or legal basis for the penalty in question but deduces that it may pertain to issues in reporting requirements under the Affordable Care Act, in particular for the initial years when ACA reporting requirements came into effect. Issues with reporting requirements and penalties affected a great many employers during those years. Augusta is working to resolve the reporting discrepancy and plans to seek an abatement of the penalties in consideration of the government's good faith efforts at reporting compliance and, above all, the fact that the required healthcare coverage was indeed extended to its employees.

Augusta – Richmond County Government has conducted a diligent search of the offices and files most likely to be in possession of any documents received from the IRS in the last twelve months relating to any alleged violations of the Affordable Care Act and associated financial penalties. At this time, Augusta has not located any responsive documents, other than (arguably) the document provided herewith.

We trust this response fully addresses your Open Records Act request.

Sincerely,

SMITH, GAMBRELL & RUSSELL, LLP


Colin Đặng Delaney