

Rev. Proc. 2017-36

SECTION 1. PURPOSE

This revenue procedure provides indexing adjustments for certain provisions under sections 36B and 5000A of the Internal Revenue Code. In particular, it updates the Applicable Percentage Table in § 36B(b)(3)(A)(i) to provide the Applicable Percentage Table for 2018. This table is used to calculate an individual's premium tax credit. This revenue procedure also updates the required contribution percentage in § 36B(c)(2)(C)(i)(II) for plan years beginning after calendar year 2017. The percentage is used to determine whether an individual is eligible for affordable employer-sponsored minimum essential coverage under § 36B. This revenue procedure uses the methodology described in Section 4 of Rev. Proc. 2014-37, 2014-2 C.B. 363, to index the Applicable Percentage Table and the § 36B required contribution percentage for 2018. Additionally, this revenue procedure cross-references the required contribution percentage under § 5000A(e)(1)(A) for plan years beginning after calendar year 2017, as determined under guidance issued by the Department of Health and Human Services. The percentage is used to determine whether an individual is eligible for an exemption from the individual shared responsibility payment because of a lack of affordable minimum essential coverage.

SECTION 2. ADJUSTED ITEMS

.01 Applicable Percentage Table for 2018. For taxable years beginning in 2018, the Applicable Percentage Table for purposes of § 36B(b)(3)(A)(i) and § 1.36B-3T(g) is:

Household income percentage of Federal poverty line:	Initial percentage	Final percentage
Less than 133%	2.01%	2.01%
At least 133% but less than 150%	3.02%	4.03%
At least 150% but less than 200%	4.03%	6.34%
At least 200% but less than 250%	6.34%	8.10%
At least 250% but less than 300%	8.10%	9.56%
At least 300% but not more than 400%	9.56%	9.56%

.02 Section 36B Required Contribution Percentage for 2018. For plan years beginning in 2018, the required contribution percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2T(c)(3)(v)(C) is 9.56%.

.03 Section 5000A Required Contribution Percentage. In the 2018 Benefit and Payment Parameters, 81 Fed. Reg. 94058 (December 22, 2016), for plan years beginning in 2018, the Department of Health and Human Services (HHS) announced that the Section 5000A required contribution percentage for purposes of § 5000A(e)(1)(A) and § 1.5000A-3(e)(2) is 8.05%. See Exchange and Insurance Market Standards for 2015 and beyond, 79 Fed. Reg. 30239, 30302 (May 27, 2014), for further information on the computation methodology and publication approach for the Section 5000A required contribution percentage.

SECTION 3. EFFECTIVE DATE

This revenue procedure is effective for taxable years and plan years beginning after December 31, 2017.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Bill Ruane of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue procedure, contact Mr. Bill Ruane at (202) 317-4718 (not a toll-free call).