

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.
(Also: Part 1, §§ 1, 223.)

Rev. Proc. 2007-36

SECTION 1. PURPOSE

This revenue procedure modifies and supersedes section 3.24(1) of Rev. Proc. 2006-53, 2006-48 I.R.B. 996, which provides inflation adjusted items for 2007 for Health Savings Accounts (HSAs) under § 223 of the Internal Revenue Code. This revenue procedure also provides inflation adjusted items for HSAs for 2008.

SECTION 2. BACKGROUND

Section 303 of the Health Opportunity Patient Empowerment Act of 2006, Title III of the Tax Relief and Health Care Act of 2006, Pub. L. No. 109-432, 120 Stat. 2922 (2006) (the Act), changes the maximum annual contribution for HSAs. Under prior law, the maximum annual HSA contribution was the lesser of the deductible of the high deductible health plan or the indexed statutory amount. For taxable years beginning

after December 31, 2006, § 303 of the Act amends § 223(b) to provide that the maximum annual HSA contribution is the indexed statutory amount, without reference to the deductible of the high deductible health plan.

Section 304 of the Act amends the rules for calculating cost-of-living adjustments for HSA amounts in § 223. Section 304 of the Act amends § 223(g) to provide that, for cost-of-living adjustments made for taxable years beginning after 2007, § 1(f)(4) is applied using March 31 instead of August 31 as the close of the 12-month period described in § 1(f)(4). Section 223(g) also provides that the adjusted amounts under § 223 will be published no later than June 1 of the preceding calendar year.

SECTION 3. MODIFICATION OF SECTION 3.24(1) OF REV. PROC. 2006-53

Section 3.24(1) of Rev. Proc. 2006-53 is modified to read as follows:

(1) Annual contribution limitation. For calendar year 2007, the limitation on deductions under § 223(b)(2)(A) for an individual with self-only coverage under a high deductible health plan is \$2,850. For calendar year 2007, the limitation on deductions under § 223(b)(2)(B) for an individual with family coverage under a high deductible health plan is \$5,650.

SECTION 4. INFLATION ADJUSTED ITEMS FOR HSAs FOR 2008

Annual contribution limitation. For calendar year 2008, the limitation on deductions under § 223(b)(2)(A) for an individual with self-only coverage under a high deductible health plan is \$2,900. For calendar year 2008, the limitation on deductions under § 223(b)(2)(B) for an individual with family coverage under a high deductible health plan is \$5,800.

High deductible health plan. For calendar year 2008, a “high deductible health plan” is defined under § 223(c)(2)(A) as a health plan with an annual deductible that is not less than \$1,100 for self-only coverage or \$2,200 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed \$5,600 for self-only coverage or \$11,200 for family coverage.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Section 3.24(1) of Rev. Proc. 2006-53 is modified and superseded.

SECTION 6. EFFECTIVE DATES

Section 3 of this revenue procedure is effective for calendar year 2007. Section 4 of this revenue procedure is effective for calendar year 2008.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Marnette M. Myers of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure contact Marnette M. Myers at (202) 622-4920 (not a toll free call).