

Rev. Proc. 2018-34

SECTION 1. PURPOSE

This revenue procedure provides indexing adjustments for certain provisions under section 36B 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 2019. 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 2018. 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.

In addition to the adjustments described in Rev. Proc. 2014-37, § 36B(b)(3)(A)(ii)(II) provides that, except as provided in § 36B(b)(3)(A)(ii)(III), an additional adjustment must be made for years after 2018 to reflect the rates of premium growth relative to the growth in the consumer price index. The IRS and the Treasury Department have determined that the failsafe exception described in

§36B(b)(3)(A)(ii)(III) applies for 2019 and no additional adjustment under § 36B(b)(3)(A)(ii)(II) is required for 2019.

SECTION 2. ADJUSTED ITEMS

.01 *Applicable Percentage Table for 2019.* For taxable years beginning in 2019, the Applicable Percentage Table for purposes of § 36B(b)(3)(A)(i) and § 1.36B-3(g) is:

Household income percentage of Federal poverty line:	Initial percentage	Final percentage
Less than 133%	2.08%	2.08%
At least 133% but less than 150%	3.11%	4.15%
At least 150% but less than 200%	4.15%	6.54%
At least 200% but less than 250%	6.54%	8.36%
At least 250% but less than 300%	8.36%	9.86%
At least 300% but not more than 400%	9.86%	9.86%

.02 *Section 36B Required Contribution Percentage for 2019.* For plan years beginning in 2019, the required contribution percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 9.86%.

SECTION 3. EFFECTIVE DATE

This revenue procedure is effective for taxable years and plan years beginning after December 31, 2018.

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).