

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.

(Also Part 1, §§ 36B, 1.36B-2, 1.36B-3.)

Rev. Proc. 2022-34

SECTION 1. PURPOSE

This revenue procedure provides indexing adjustments for certain provisions under § 36B of the Internal Revenue Code (Code). In particular, it updates the applicable percentage table in § 36B(b)(3)(A)(i) (Applicable Percentage Table) for calendar year 2023.¹ This table is used to calculate an individual's premium tax credit. The revenue procedure also updates the required contribution percentage in § 36B(c)(2)(C)(i)(II) for plan years beginning after calendar year 2022 (Section 36B Required Contribution

¹ The American Rescue Plan Act of 2021, Public Law 117-2, 135 Stat. 4, 182 (2021), added § 36B(b)(3)(A)(iii) to the Code to provide an Applicable Percentage Table that applies for taxable years beginning in calendar years 2021 and 2022. Section 36B(b)(3)(A)(iii) also suspends indexing of the Applicable Percentage Table for the 2021 and 2022 taxable years.

Percentage). This 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 Section 36B Required Contribution Percentage for calendar year 2023. The Applicable Percentage Table and the Section 36B Required Contribution Percentage are indexed based on the rates of premium growth relative to the rates of income growth. See §§ 1.36B-2(c)(3)(v)(C) and 1.36B-3(g)(1) of the Income Tax Regulations. The rates of premium growth and the rates of income growth are determined using the National Health Expenditure Accounts (NHEA) Projections published by the Centers for Medicare and Medicaid Services Office of the Actuary.² Rev. Proc. 2014-37, sections 3.01, 3.02. In addition, the additional adjustment provided in § 36B(b)(3)(A)(ii)(II) is not required for plan years beginning in 2023 because the Department of the Treasury and the Internal Revenue Service have determined that the failsafe exception described in § 36B(b)(3)(A)(ii)(III) applies for plan years beginning in calendar year 2023.

SECTION 2. ADJUSTED ITEMS

.01 *Applicable Percentage Table for 2023*. For taxable years beginning in calendar year 2023, the Applicable Percentage Table for purposes of § 36B(b)(3)(A)(i) and § 1.36B-3(g) of the Income Tax Regulations is:

² The rate of premium growth and the rate of income growth for calendar year 2023 are calculated using the NHEA Projections, 2021-2030, available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected>, which reflect the most recent projections, and the methodology used to calculate the same rates of growth in the Premium Adjustment Percentage guidance for the 2023 benefit year published by the Center for Medicare and Medicaid Services on December 28, 2021, available at: <https://www.cms.gov/files/document/2023-papi-parameters-guidance-v4-final-12-27-21-508.pdf>.

Household income percentage of Federal poverty line:	Initial percentage	Final percentage
Less than 133%	1.92%	1.92%
At least 133% but less than 150%	2.88%	3.84%
At least 150% but less than 200%	3.84%	6.05%
At least 200% but less than 250%	6.05%	7.73%
At least 250% but less than 300%	7.73%	9.12%
At least 300% but not more than 400%	9.12%	9.12%

.02 Section 36B Required Contribution Percentage for 2023. For plan years beginning in calendar year 2023, the Section 36B Required Contribution Percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 9.12%.

SECTION 3. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2014-37 is supplemented.

SECTION 4. EFFECTIVE DATE

This revenue procedure is effective for taxable years and plan years beginning after December 31, 2022.

SECTION 5. 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. Ruane at (202) 317-4718 (not a toll-free call).