

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. 2024-35

SECTION 1. PURPOSE

This revenue procedure provides the applicable percentage table (Applicable Percentage Table) in § 36B(b)(3)(A) of the Internal Revenue Code (Code)¹ for taxable years beginning in calendar year 2025.² This table is used to calculate an individual's premium tax credit under § 36B. This revenue procedure also provides the indexing adjustment for the required contribution percentage (Required Contribution Percentage) in § 36B(c)(2)(C)(i)(II) for plan years beginning in calendar year 2025. This percentage

¹ Unless otherwise specified, all "section" or "§" references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).

² Section 9661 of the American Rescue Plan Act of 2021, Public Law 117-2, 135 Stat. 4, 182 (2021) (ARPA), 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 12001(a) of the Inflation Reduction Act of 2022, Public Law 117-169, 136 Stat. 1818, 1905 (2022) (IRA) extended to taxable years beginning in calendar years 2023-2025 the Applicable Percentage Table enacted by the ARPA. Section 36B(b)(3)(A)(iii) also suspends indexing of the Applicable Percentage Table for taxable years 2021-2025.

is used to determine whether an individual is eligible for affordable employer-sponsored minimum essential coverage under § 36B.

SECTION 2. ADJUSTED ITEMS

.01 *Applicable Percentage Table for 2025.* For taxable years beginning in calendar year 2025, the Applicable Percentage Table for purposes of § 36B(b)(3)(A) and § 1.36B-3(g) is:

Household income percentage of Federal poverty line:	Initial percentage	Final percentage
Less than 150%	0.00%	0.00%
At least 150% but less than 200%	0.00%	2.00%
At least 200% but less than 250%	2.00%	4.00%
At least 250% but less than 300%	4.00%	6.00%
At least 300% but less than 400%	6.00%	8.50%
At least 400% and higher	8.50%	8.50%

.02 *Required Contribution Percentage for 2025.*

(1) Section 9661 of the ARPA and § 12001(a) of the IRA did not amend the rules under § 36B(c)(2)(C)(iv) relating to the Required Contribution Percentage, including the rules relating to the indexing of the Required Contribution Percentage. See § 36B(b)(3)(A)(iii)(I). The Required Contribution Percentage for plan years beginning in calendar year 2025 is indexed based on the rates of premium growth relative to the rates of income growth in guidance issued by the Department of Health and Human Services (HHS).³ In addition, the additional adjustment provided in § 36B(b)(3)(A)(ii)(II) is not required for plan years beginning in 2025 because the Department of the

³ The rate of premium growth and the rate of income growth for calendar year 2025 are calculated using the NHEA Projections, 2022-2031, 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 2025 benefit year published by the Center for Medicare and Medicaid Services on November 15, 2023, available at: <https://www.cms.gov/files/document/2025-papi-parameters-guidance-2023-11-15.pdf>.

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 2025.

(2) For plan years beginning in calendar year 2025, the Required Contribution Percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 9.02%.

SECTION 3. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2014-37, 2014-2 C.B. 363, is supplemented.

SECTION 4. EFFECTIVE DATE

This revenue procedure is effective for taxable years and plan years beginning in calendar year 2025.

SECTION 5. DRAFTING INFORMATION

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