

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also §§ 36B, 1.36B-2, 1.36B-3.)

Rev. Proc. 2020-36

SECTION 1. PURPOSE

This revenue procedure provides indexing adjustments for certain provisions under § 36B of the Internal Revenue Code. In particular, it updates the applicable percentage table in § 36B(b)(3)(A)(i) (Applicable Percentage Table) for calendar year 2021. 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 2020 (Section 36B Required Contribution Percentage). This percentage is used to determine whether an individual is eligible for affordable employer-sponsored minimum essential coverage under § 36B. The revenue procedure uses the methodology described in Section 4 of Rev. Proc. 2014-37, 2014-2 C.B. 363, and the Department of Health and Human Services (HHS) Notice of Benefit and Payment Parameters for 2020, 84 Fed. Reg. 17454 (April 25, 2019) (2020 Benefit and Payment Notice), to index the Applicable Percentage Table and the Section 36B Required Contribution Percentage.

In addition to the adjustments described in Rev. Proc. 2014-37 for adjusting the Applicable Percentage Table, § 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 calendar years after 2018 to reflect the rates of premium growth relative to the growth in the consumer price index. The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) have determined that the failsafe exception described in § 36B(b)(3)(A)(ii)(III) applies for calendar year 2021 and no additional adjustment under § 36B(b)(3)(A)(ii)(II) is required for calendar year 2021.

SECTION 2. ADJUSTED ITEMS

.01 *Applicable Percentage Table for 2021.* For taxable years beginning in calendar year 2021, 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%	2.07%	2.07%
At least 133% but less than 150%	3.10%	4.14%
At least 150% but less than 200%	4.14%	6.52%
At least 200% but less than 250%	6.52%	8.33%
At least 250% but less than 300%	8.33%	9.83%
At least 300% but not more than 400%	9.83%	9.83%

.02 *Section 36B Required Contribution Percentage for 2021.* For plan years beginning in calendar year 2021, the required contribution percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 9.83%.

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, 2020.

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).