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. 2026-26

SECTION 1. PURPOSE

This revenue procedure provides indexing adjustments to the applicable percentage table (Applicable Percentage Table) in § 36B(b)(3)(A)(i) of the Internal Revenue Code (Code)[1] for taxable years beginning in calendar year 2027. 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 2027. This percentage is used to determine whether an individual is eligible for affordable employer-sponsored minimum essential coverage under § 36B.

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

For plan years beginning in calendar year 2027, the Applicable Percentage Table and the Section 36B Required Contribution Percentage indexing adjustments are based on the most recent projections of premium growth and income growth.[2] *See* §§ 1.36B-2(c)(3)(v)(C) and 1.36B-3(g). In addition, the additional adjustment provided in § 36B(b)(3)(A)(ii)(II) is not required for plan years beginning in 2027 because 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 plan years beginning in calendar year 2027.

SECTION 2. CHANGE TO PREMIUM GROWTH ADJUSTMENT METHODOLOGY

The Applicable Percentage Table and the Section 36B Required Contribution Percentage indexing adjustments are computed using the methodology described in section 4 of Rev. Proc. 2014-37, 2014-33 I.R.B. 363, and in guidance issued by the Department of Health and Human Services (HHS). For 2025 and a number of years prior to 2025, the rate of premium growth was based on per enrollee spending for employer-sponsored insurance as published in the National Health Expenditure Account. However, beginning in calendar year 2026, HHS guidance provided a new premium growth measure that captures increases in individual market premiums in addition to increases in employer-sponsored insurance premiums for purposes of calculating the premium adjustment percentage for the 2026 benefit year and beyond. *See* HHS Marketplace Integrity and Affordability rule, 90 Fed. Reg. 27074 (June 25, 2025). For taxable year 2027, the Treasury Department and the IRS will use the

[2] The rate of premium growth and the rate of income growth are calculated using the NHEA Projections, 2025-2034, available at: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.

premium growth measure provided in the 2026 HHS Marketplace Integrity and Affordability rule for purposes of the Applicable Percentage Table and the Section 36B Required Contribution Percentage indexing adjustments.

SECTION 3. ADJUSTED ITEMS

.01 *Applicable Percentage Table for 2027*. For taxable years beginning in calendar year 2027, 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%	2.15%	2.15%
At least 133% but less than 150%	3.23%	4.3%
At least 150% but less than 200%	4.3%	6.78%
At least 200% but less than 250%	6.78%	8.66%
At least 250% but less than 300%	8.66%	10.22%
At least 300% but not more than 400%	10.22%	10.22%

.02 *Required Contribution Percentage for 2027*. For plan years beginning in calendar year 2027, the Required Contribution Percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 10.22%.

SECTION 4. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2014-37 is supplemented.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective for taxable years and plan years beginning in calendar year 2027.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Mia Romano of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information

regarding this revenue procedure, contact Ms. Romano at (202) 317-4718 (not a toll-free call).