

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 6134,
THE "HEALTH OPPORTUNITY PATIENT EMPOWERMENT ACT OF 2006,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON SEPTEMBER 27, 2006

Fiscal Years 2007 - 2016

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
1. Allow a one-time rollover of HRA and health FSA funds into an HSA (sunset for taxable years beginning after 12/31/11) [1].....	do/a DOE	-2	-4	-4	-4	-5	-2	---	---	---	---	-19	-21
2. Disregard grace period health FSA coverage for purposes of eligibility for deductible HSA contributions if FSA has zero balance at end of prior plan year or remaining balance from prior plan year is transferred to an HSA.....	[2]	----- Negligible Revenue Effect -----											
3. Repeal the limitation on HSA contributions that corresponds to the annual deductible under the high-deductible insurance policy [3].....	tyba 12/31/06	-10	-17	-27	-30	-38	-50	-66	-115	-170	-190	-121	-712
4. Compute cost-of-living adjustments for HSA provisions earlier in the calendar year (March in lieu of August).....	afya 2007	----- Negligible Revenue Effect -----											
5. Allow full deductible contribution for months preceding month that taxpayer is in high deductible plan.....	tyba 12/31/06	-11	-29	-33	-36	-37	-37	-35	-33	-28	-22	-147	-302
6. Modify comparability rules so that employers may make larger contributions to HSAs of non-highly compensated employees than to HSAs of highly compensated employees.....	tyba 12/31/06	----- Negligible Revenue Effect -----											
7. Allow a one-time rollover of IRA funds to an HSA [4].....	tyba 12/31/06	----- Negligible Revenue Effect -----											
NET TOTAL		-23	-50	-64	-70	-80	-89	-101	-148	-198	-212	-287	-1,035

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2006.

Legend for "Effective" column:

afya = adjustments for years after
do/a = distributions on or after

DOE = date of enactment

tyba = taxable years beginning after

[1] Rollover may not exceed the balance in the HRA or health FSA on September 21, 2006.

[2] Effective on the date of enactment with respect to coverage for taxable years beginning after December 31, 2006.

[3] Under the provision, HSA contributions would be permitted up to the statutory limits in present-law sections 223(b)(2)(A)(ii) and (B)(ii) of the Internal Revenue Code, which are \$2,700 for single coverage and \$5,450 for family coverage for 2006. These limits are indexed for inflation and may change for taxable years beginning in 2007, when the provision would become effective.

[4] A limit would apply to the sum of: (1) the amount allowed as a deductible contribution to the HSA; and (2) the amount rolled over from the IRA to the HSA. The sum of these two amounts would not be permitted to exceed the otherwise maximum annual deductible contribution.