

## Reduction in Federal Income Tax from HSA Contributions in 2007

### Illustrative Examples

HSA Contribution	Income					
	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000
<b>Single Taxpayer</b>						
<b>\$500</b>	75	75	125	125	140	140
<b>\$1,000</b>	150	150	250	250	280	280
<b>\$1,500</b>	225	225	375	375	420	420
<b>\$2,000</b>	300	300	500	500	545	560
<b>\$2,500</b>	375	375	625	625	670	700
<b>\$2,850</b> <sup>1/</sup>	428	428	713	713	758	798
<b>Head of Household with 1 Dependent Child</b>						
<b>\$1,000</b>	100	150	150	300	260	260
<b>\$2,000</b>	200	300	300	600	520	520
<b>\$3,000</b>	300	450	450	900	780	780
<b>\$4,000</b>	400	600	600	1,200	1,040	1,040
<b>\$5,000</b>	500	750	750	1,500	1,300	1,300
<b>\$5,650</b> <sup>1/</sup>	535	848	848	1,663	1,469	1,469
<b>Married Couple with No Dependents</b>						
<b>\$1,000</b>	100	150	150	150	250	260
<b>\$2,000</b>	200	300	300	300	500	520
<b>\$3,000</b>	250	450	450	450	750	780
<b>\$4,000</b>	250	600	600	600	1,000	1,040
<b>\$5,000</b>	250	750	750	750	1,250	1,300
<b>\$5,650</b> <sup>1/</sup>	250	848	848	848	1,413	1,469
<b>Married Couple with 2 Dependent Children</b>						
<b>\$1,000</b>	0	103	150	150	260	310
<b>\$2,000</b>	0	203	300	300	520	620
<b>\$3,000</b>	0	303	450	450	780	930
<b>\$4,000</b>	0	403	600	600	1,040	1,240
<b>\$5,000</b>	0	503	750	750	1,300	1,550
<b>\$5,650</b> <sup>1/</sup>	0	568	848	848	1,469	1,719

April 10, 2007

<sup>1/</sup> Maximum contribution allowable.

Note: Assumes: all income is from wages and salaries; taxpayers use the larger of the standard deduction or itemized deductions of 18 percent of income before HSA contributions; heads of household and married couples with children have dependents eligible for the child tax credit and the earned income tax credit; and the Alternative Minimum Tax (AMT) exemptions will be \$45,000 for married taxpayers filing jointly and \$33,750 for single and head of household taxpayers.