

119TH CONGRESS
1ST SESSION

H. R. 6183

To amend the Internal Revenue Code of 1986 to reform certain rules related to health savings accounts.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2025

Mr. DOGGETT introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reform certain rules related to health savings accounts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REFERENCES.**

4 Except as otherwise expressly provided, whenever in
5 this Act an amendment or repeal is expressed in terms
6 of an amendment to, or repeal of, a section or other provi-
7 sion, the reference shall be considered to be made to a
8 section or other provision of the Internal Revenue Code
9 of 1986.

1 **SEC. 2. REPEAL OF EXCEPTION TO REQUIREMENT THAT**
2 **PENALTY-FREE DISTRIBUTIONS BE FOR**
3 **QUALIFIED MEDICAL EXPENSES.**

4 (a) IN GENERAL.—Section 223(f)(4) is amended by
5 striking subparagraph (C).

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to distributions made after Decem-
8 ber 31, 2025.

9 **SEC. 3. INCOME LIMITATION ON DEDUCTIBLE CONTRIBU-**
10 **TIONS TO HEALTH SAVINGS ACCOUNTS.**

11 (a) IN GENERAL.—Section 223(b) is amended by
12 adding at the end the following new paragraph:

13 “(9) LIMITATION BASED ON MODIFIED AD-
14 JUSTED GROSS INCOME.—

15 “(A) IN GENERAL.—The amount otherwise
16 allowable as a deduction under subsection (a)
17 shall be reduced (but not below zero) by an
18 amount which bears the same ratio to the
19 amount so allowable (determined without re-
20 gard to this paragraph) as—

21 “(i) the amount (if any) by which the
22 taxpayer’s modified adjusted gross income
23 exceeds the applicable income threshold,
24 bears to

1 “(ii) \$40,000 (\$20,000 in the case of
 2 a married individual filing a separate re-
 3 turn).

4 “(B) APPLICABLE INCOME THRESHOLD.—
 5 For purposes of this paragraph, the term ‘ap-
 6 plicable income threshold’ means—

7 “(i) in the case of a joint return or
 8 surviving spouse (as defined in section
 9 2(a)), \$300,000,

10 “(ii) in the case of a head of house-
 11 hold, \$250,000,

12 “(iii) in the case of a married indi-
 13 vidual filing a separate return, \$150,000,
 14 and

15 “(iv) in any other case, \$200,000.

16 “(C) MODIFIED ADJUSTED GROSS IN-
 17 COME.—For purposes of this paragraph, the
 18 term ‘modified adjusted gross income’ means
 19 adjusted gross income determined without re-
 20 gard to this section and sections 911, 931, and
 21 933.”.

22 (b) TREATMENT OF NON-DEDUCTIBLE CONTRIBU-
 23 TIONS.—

24 (1) RULES FOR DISTRIBUTION.—Section
 25 223(f)(2) is amended is amended by striking “shall

1 be included in the gross income of such beneficiary.”
 2 and inserting “shall be included in the gross income
 3 of the beneficiary as provided in section 72. Rules
 4 similar to the rules of section 408(d)(2) shall apply
 5 for purposes of the preceding sentence.”.

6 (2) COORDINATION WITH EXCISE TAX ON EX-
 7 CESS CONTRIBUTIONS.—Section 4973(g)(1) is
 8 amended by inserting “(determined without regard
 9 to section 223(b)(9))” after “section 223”.

10 (c) PAYROLL TAXES.—

11 (1) FICA.—Section 3121(a) is amended by
 12 striking “or” at the end of paragraph (22), by strik-
 13 ing the period at the end of paragraph (23) and in-
 14 serting “; or”, and by inserting after paragraph (23)
 15 the following new paragraph:

16 “(24)(A) for purposes of section 3101, any pay-
 17 ment excludable from the employee’s gross income
 18 under section 106(d), and

19 “(B) for purposes of any other provision of this
 20 chapter (including section 3102), any payment made
 21 to or for the benefit of an employee if at the time
 22 of such payment it is reasonable to believe that the
 23 employee will be able to exclude such payment from
 24 income under section 106(d).”.

1 (2) RAILROAD RETIREMENT.—Section
2 3231(e)(11) is amended to read as follows:

3 “(11)(A) for purposes of section 3201, any pay-
4 ment excludable from the employee’s gross income
5 under section 106(d), and

6 “(B) for purposes of any other provision of this
7 chapter (including section 3202), any payment made
8 to or for the benefit of an employee if at the time
9 of such payment it is reasonable to believe that the
10 employee will be able to exclude such payment from
11 income under section 106(d);”.

12 (d) EFFECTIVE DATE.—

13 (1) IN GENERAL.—Except as otherwise pro-
14 vided in this subsection, the amendments made by
15 this section shall apply to taxable years beginning
16 after December 31, 2025.

17 (2) PAYROLL TAXES.—The amendments made
18 by subsection (c) shall apply to payments made after
19 December 31, 2025.

20 **SEC. 4. HEALTH SAVINGS ACCOUNT REIMBURSEMENT OF**
21 **MEDICAL EXPENSES LIMITED TO 2 YEARS.**

22 (a) IN GENERAL.—Section 223(d)(2) is amended by
23 adding at the end the following new subparagraph:

24 “(E) REIMBURSEMENTS LIMITED TO 2
25 YEARS.—An amount paid or distributed from a

health savings account to reimburse the account beneficiary for a qualified medical expense shall not be treated as used to pay a qualified medical expense unless such distribution is made not later than 2 years after the date on which such reimbursed qualified medical expense was paid.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or distributed from a health savings account after December 31, 2025.

SEC. 5. REQUIREMENT TO SUBSTANTIATE DISTRIBUTIONS FROM HEALTH SAVINGS ACCOUNTS THAT ARE FOR QUALIFIED MEDICAL EXPENSES.

(a) IN GENERAL.—Section 223(d)(2), as amended by the preceding provisions of this Act, is amended by adding at the end the following new subparagraph:

“(F) SUBSTANTIATION REQUIREMENT.—

“(i) IN GENERAL.—An amount paid or distributed from a health savings account shall not be treated as used to pay a qualified medical expense unless such amount is substantiated as a qualified medical expense.

“(ii) ASSESSMENT REQUIRED.—In the case of any expense with respect to which

1 a provider’s opinion is required to substan-
2 tiate such expense as a qualified medical
3 expense under clause (i), such opinion shall
4 not constitute substantiation unless—

5 “(I) such opinion is based on an
6 assessment conducted pursuant to a
7 bona fide provider-patient relation-
8 ship,

9 “(II) such assessment is con-
10 ducted in-person or is an assessment
11 of a type that generally accepted
12 standards of medical practice do not
13 require to be in-person, and

14 “(III) the expense is incurred for
15 an item or service of a type that
16 would be typically recommended under
17 generally accepted standards of med-
18 ical practice.

19 “(G) REGULATIONS.—The Secretary shall
20 issue such regulations or other guidance as may
21 be necessary or appropriate to carry out the
22 purposes of this subparagraph.”.

23 (b) DETERMINATION BY TRUSTEE.—Section
24 223(d)(1) is amended by adding at the end the following
25 new subparagraph:

1 “(F) In the case of any amount paid or
 2 distributed from the trust, the trustee shall de-
 3 termine, consistent with the requirements of
 4 paragraph (2)(F), whether such amount has
 5 been substantiated as a qualified medical ex-
 6 pense.”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to amounts paid or distributed
 9 from a health savings account after December 31, 2025.

10 **SEC. 6. CERTAIN EXPENSES NOT TREATED AS MEDICAL**
 11 **CARE.**

12 (a) IN GENERAL.—Section 223(d)(2), as amended by
 13 the preceding provisions of this Act, is amended by adding
 14 at the end the following new subparagraph:

15 “(G) EXCLUSIONS.—For purposes of this
 16 paragraph, the amounts paid for the following
 17 shall not be treated as paid for medical care:

18 “(i) Spa and beauty treatments.

19 “(ii) So much of any amounts paid for
 20 exercise equipment as exceed \$500 in any
 21 taxable year.”.

22 (b) EFFECTIVE DATE.—The amendment made by
 23 this section shall apply to amounts paid or distributed
 24 from a health savings account after December 31, 2025.

1 **SEC. 7. EXCISE TAX ON EXCESSIVE HEALTH SAVINGS AC-**
 2 **COUNT FEES.**

3 (a) IN GENERAL.—Subtitle D is amended by adding
 4 at the end the following new chapter:

5 **“CHAPTER 50B—EXCESSIVE HEALTH**
 6 **SAVINGS ACCOUNT FEES**

“Sec. 5000E. Excessive health savings account fees.

7 **“SEC. 5000E. EXCESSIVE HEALTH SAVINGS ACCOUNT FEES.**

8 “(a) IN GENERAL.—There is hereby imposed on the
 9 trustee of any health savings account which charges any
 10 excessive health savings account fee a tax equal to the ex-
 11 cess of—

12 “(1) the amount of such fee, over

13 “(2) the reasonable amount of such fee as de-
 14 termined under subsection (b)(3).

15 “(b) EXCESSIVE HEALTH SAVING ACCOUNT FEE.—
 16 For purposes of this section—

17 “(1) EXCESSIVE HEALTH SAVINGS ACCOUNT
 18 FEE.—The term ‘excessive health savings account
 19 fee’ means any covered health savings account fee if
 20 such fee exceeds the reasonable amount of such fee
 21 as determined under paragraph (3).

22 “(2) COVERED HEALTH SAVINGS ACCOUNT
 23 FEE.—The term ‘covered health savings account fee’
 24 means any of the following if charged in connection
 25 with a health savings account: maintenance fees;

1 transfer fees; fees for paper statements, checks, or
2 replacement cards; withdrawal fees; fees for insuffi-
3 cient funds; fees to ensure that fees do not exceed
4 earnings or account balance; and such other fees or
5 charges as the Secretary may identify for purposes
6 of this paragraph.

7 “(3) REASONABLE FEES.—With respect to each
8 category of fees described in paragraph (2) and such
9 additional categories or subcategories as the Sec-
10 retary may provide, the Secretary shall determine
11 the reasonable amount of such fee.

12 “(c) HEALTH SAVING ACCOUNT.—For purposes of
13 this section, the term ‘health savings account’ has the
14 meaning given such term in section 223.”.

15 (b) REPORTING.—Subpart A of part III of sub-
16 chapter A of chapter 61 is amended by inserting after sec-
17 tion 6039L the following new section:

18 **“SEC. 6039M. INFORMATION REGARDING HEALTH SAVINGS**
19 **ACCOUNT FEES.**

20 “(a) IN GENERAL.—Each trustee of a health savings
21 account which charges any covered health savings account
22 fee during any calendar year shall, for such calendar year,
23 make a return at such time and in such manner as the
24 Secretary may provide setting forth the information de-

1 scribed in subsection (b) and such other information as
2 the Secretary may require.

3 “(b) INFORMATION.—

4 “(1) IN GENERAL.—Each return under sub-
5 section (a) shall include, with respect to each cat-
6 egory of fee charged, a description of such fee, the
7 number of such fees charged, and the aggregate
8 amount of such fees charged.

9 “(2) SEPARATELY STATED CATEGORIES.—The
10 information described in paragraph (1) shall be sep-
11 arately stated based on such demographic or other
12 characteristics as the Secretary may provide.

13 “(c) DEFINITIONS.—Terms used in this section
14 which are also used in section 5000E shall have the same
15 meaning as when used in section 5000E.”.

16 (c) CLERICAL AMENDMENTS.—

17 (1) The table of chapters for subtitle D is
18 amended by adding at the end the following new
19 item:

“CHAPTER 50B—EXCESSIVE HEALTH SAVINGS ACCOUNT FEES”.

20 (2) The table of sections for subpart A of part
21 III of subchapter A of chapter 61 is amended by in-
22 serting after the item relating to section 6039L the
23 following new item:

“Sec. 6039M. Information regarding health savings account fees.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fees charged after December 31,
3 2025.

4 **SEC. 8. REPORTING OF EARNINGS ON CASH BALANCES OF**
5 **HEALTH SAVINGS ACCOUNTS.**

6 (a) IN GENERAL.—Section 223(h) is amended by
7 adding at the end the following: “The reports under para-
8 graph (1) shall include a statement specifying the average
9 yield on cash balances in the health savings account of
10 the account beneficiary for the period covered by the re-
11 port and a statement of the national average yield on sav-
12 ings account balances for such period (determined in such
13 manner as the Secretary may provide).”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to reports with respect to periods
16 beginning after December 31, 2025.

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