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State/District Tax Treatment of Health Savings Accounts (HSAs)

State/District	Conforms to IRC for HSA Purposes	Comments
1. Alabama	No	Alabama does not use federal definitions of income and does not provide tax relief for HSAs.
2. Alaska	N/A	Alaska has no personal income tax.
3. Arizona	Yes, generally conforms to IRC as of 1/1/2004.	Arizona conforms to federal tax law; HSA tax advantages flow through.
4. Arkansas	No	Arkansas does not use federal definitions of income and does not provide tax relief for HSAs.
5. California	No	While California does conform to many IRC provisions, it does not apply federal HSA legislation. Legislative measures to achieve HSA conformity failed in 2004 and may be reintroduced in 2005.
6. Colorado	Yes	Colorado conforms to federal tax law; HSA tax advantages flow through.
7. Connecticut	Yes	Connecticut conforms to federal tax law; HSA tax advantages flow through.
8. Delaware	Yes	Delaware conforms to federal tax law; HSA tax advantages flow through.
9. District of Columbia	Yes	DC conforms to federal tax law; HSA tax advantages flow through.
10. Florida	N/A	Florida has no personal income tax.
11. Georgia	Yes, generally conforms to IRC as of 1/1/2004.	Georgia conforms to federal tax law; HSA tax advantages flow through.
12. Hawaii	Yes, generally conforms to IRC as of 12/31/2003.	Hawaii's Act 89 (2004) conforms state taxes with federal law, as amended to Dec. 31, 2003. HSAs are included. See HI-Ann. 2004-02.
13. Idaho	Yes, generally conforms to IRC as of 1/1/2004.	Idaho conforms to federal tax law; HSA tax advantages flow through.
14. Illinois	Yes	Illinois conforms to federal tax law; HSA tax advantages flow through.
15. Indiana	Yes	Indiana conforms to federal tax law; HSA tax advantages flow through.
16. Iowa	Yes	Iowa conforms to federal tax law; HSA tax advantages flow through.
17. Kansas	Yes	Kansas conforms to federal tax law; HSA tax advantages flow through.
18. Kentucky	No	Kentucky does not yet conform to post-2001 federal tax legislation, hence HSA contributions are nondeductible, HSA interest is taxable, but HSA distributions are exempt (because income has already been taxed). See KY Instructions to Form 740 (2004).
19. Louisiana	Yes	Louisiana conforms to federal tax law; HSA tax advantages flow through.
20. Maine	No	Health Savings Accounts Add-back. 36 M.R.S.A. § 5122(1) (W). Maine requires taxpayers to add back to income amounts contributed to health savings accounts to the extent the amount is not included in federal adjusted gross income. The new add-back applies to tax years beginning after 2003. See LD #1813, PL 2003 c.705, Sec. 9. Note: for other tax provisions, Maine generally conforms to IRC as of 12/31/2003.
21. Maryland	Yes	Maryland conforms to federal tax law; HSA tax advantages flow through.
22. Massachusetts	No	Massachusetts does not conform to recent federal tax law (generally

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		conforms to IRC as of 1/1/1998). As a result, HSA employer contributions are includible in gross income, individual contributions cannot be deducted, and HSA earnings are taxable. <i>See MA Form 1 Instructions (2004), at 5.</i>
23. Michigan	Yes	Michigan conforms to federal tax law; HSA tax advantages flow through.
24. Minnesota	No	Minnesota does not conform to recent federal tax law changes (generally conforms to IRC as of June 15, 2003). Hence, HSA deductions do not flow through. HSA deductions must be reversed when determining Minnesota tax. Consult Schedule MINC for details. <i>See MN Income Tax News Letter (Dec. 12, 2004).</i>
25. Mississippi	No	Mississippi does not conform to federal tax law and has not provided HSA tax relief.
26. Missouri	Yes	Missouri conforms to federal tax law; HSA tax advantages flow through.
27. Montana	Yes	Montana conforms to federal tax law; HSA tax advantages flow through.
28. Nebraska	Yes	Nebraska conforms to federal tax law; HSA tax advantages flow through.
29. Nevada	N/A	Nevada has no personal income tax.
30. New Hampshire	N/A	New Hampshire has no personal income tax.
31. New Jersey	No	New Jersey does not conform to federal tax law. While NJ has a state exemption for Archer MSAs, it does not currently provide any HSA relief.
32. New Mexico	Yes	New Mexico conforms to federal tax law; HSA tax advantages flow through.
33. New York	Yes	New York conforms to federal tax law; HSA tax advantages flow through.
34. North Carolina	Yes	North Carolina conforms to federal tax law; HSA tax advantages flow through.
35. North Dakota	Yes	North Dakota conforms to federal tax law; HSA tax advantages flow through.
36. Ohio	Yes	Ohio conforms to federal tax law; HSA tax advantages flow through. If an Ohio taxpayer also deducts money transferred to an Ohio Medical Savings Account ("OMSA"), the OMSA deduction must be reduced by the Federal HSA deduction. <i>See OH IT 1040 Instructions, at 19 (2004).</i>
37. Oklahoma	Yes	Oklahoma conforms to federal tax law and HSA tax advantages flow through. An OK taxpayer cannot claim a deduction for an Oklahoma Medical Savings Account if an HSA deduction is claimed on the federal return. <i>See OK Form 511 packet, at 17 (2004).</i>
38. Oregon	Yes	Oregon does not conform to recent federal tax law changes (generally conforms to IRC as of 12/31/2002), but specifically conformed to the HSA legislation. OR allows the same HSA deduction that has been claimed on the federal return. <i>See OR 2004 Personal Income Tax Guide, at 44.</i>
39. Pennsylvania	No	Pennsylvania does not conform to federal tax law and has not enacted legislation to allow for pre-tax contributions to HSAs. <i>See PA Letter Ruling PIT 04-005 (Mar 12, 2004).</i>
40. Rhode Island	Yes	Rhode Island conforms to federal tax law; HSA tax advantages flow through.
41. South Carolina	Yes	South Carolina conforms to federal tax law; HSA tax advantages flow through.
42. South Dakota	N/A	South Dakota has no personal income tax.

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43. Tennessee	N/A	Tennessee has no personal income tax.
44. Texas	N/A	Texas has no personal income tax.
45. Utah	Yes	Utah conforms to federal tax law; HSA tax advantages flow through.
46. Vermont	Yes, generally conforms to IRC as of 12/31/2003.	Vermont conforms to federal tax law; HSA tax advantages flow through.
47. Virginia	Yes, generally conforms to IRC as of 12/31/2003.	Virginia conforms to federal tax law; HSA tax advantages flow through. <i>See VA P.D. 04-40 (Aug. 1, 2004).</i>
48. Washington	N/A	Washington has no personal income tax.
49. West Virginia	Yes	West Virginia conforms to federal tax law; HSA tax advantages flow through.
50. Wisconsin	No	Wisconsin generally follows the IRC as amended to December 31, 2002. Because the federal provisions relating to health savings accounts were enacted during 2003, they do not apply for Wisconsin for taxable years beginning in 2004. <i>See WI-Tax Bulletin No. 140 (2004).</i>
51. Wyoming	N/A	Wyoming does not have a personal income tax.