



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

APR 30 2013

OFFICE OF  
AIR AND RADIATION

Mr. Andrew J. Keyso  
Associate Chief Counsel  
Income Tax & Accounting  
U.S. Department of the Treasury  
Internal Revenue Service  
Washington, District of Columbia 20224

Dear Mr. Keyso:

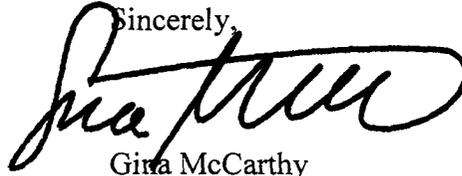
Thank you for your February 20, 2013, reply to my letter of December 13, 2012, asking for an Information Letter on the tax treatment of expenses for reducing exposure to radon, a radioactive air pollutant estimated to cause 21,000 lung cancer deaths every year in the United States. I appreciate your willingness to consider our request that the Internal Revenue Service (IRS) identify indoor radon testing and mitigation costs as eligible expenses within Health Spending Accounts (HSAs).

As you may know, we have been working with IRS staff about our radon tax treatment proposals for several years and they had indicated that radon could be addressed in the process of revising the Section 213 regulations. I am pleased to hear that these proposed regulations are on the Department's 2012-2013 Priority Guidance Plan and are a priority for the IRS. I would like to offer our assistance as you develop the radon language for these proposed revisions, which I understand are scheduled to be issued later this year.

Given the time it will take to complete the Section 213 rulemaking and the ongoing significant risks posed by radon, I request that the IRS continue to explore the possibility of issuing an interim policy on radon mitigation costs. I have asked Mike Flynn, the Director of our Office of Radiation and Indoor Air, to follow up. We had hoped that you would be able to issue an Information Letter this year, clarifying that radon risk reduction costs are eligible medical expenses within HSAs. This would be a major step forward in helping save lives and avoiding health care costs of cancer treatment. We appreciate your consideration and stand ready to assist in any way in developing this interim policy.

Thank you very much for your assistance with this extremely important issue. As you suggest, my staff will remain in contact with Ms. Wei. Please feel free to contact Mike Flynn at 202-343-9320 or [flynn.mike@epa.gov](mailto:flynn.mike@epa.gov), if you have any questions regarding this reply. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina McCarthy". The signature is fluid and cursive, with a large initial "G" and "M".

Gina McCarthy  
Assistant Administrator