Enhanced Premium Tax Credits

Background: In 2010, Congress passed the Affordable Care Act (ACA), which included subsidies to cap the price that everyday Americans spend on health insurance through the ACA marketplace that were passed down to the consumer through tax credits. In 2021, Congress increased and expanded eligibility for these tax credits, giving them their name “Enhanced Premium Tax Credits” (PTCs). Through the Inflation Reduction Act, Congress extended the enhanced PTCs, but these are set to expire on December 31, 2025.

What are Enhanced Premium Tax Credits?

- Enhanced PTCs ensure that individuals who purchase their health insurance through the ACA marketplace never spend more than 8.5% of their income on health insurance premiums.

Required Individual Contribution with Enhanced Premium Tax Credits		
Household Income Range (expressed as % of Federal Poverty Level)	**Required % of Income at Start of Range**	**Required % of Income at Top of Range**
Less than 150%	0%	0%
150% to 200%	0%	2%
200% to 250%	2%	4%
250% to 300%	4%	6%
300% to 400%	6%	8.5%
400% and higher	8.5%	8.5%

Who is eligible to benefit from Enhanced Premium Tax Credits?

- To qualify, individuals must:
  - Be a U.S. citizen or lawfully present;
  - Not be incarcerated;
  - Not have access to other forms of subsidized healthcare, like employer-sponsored coverage or government healthcare programs; and
  - Make at least 100% of the Federal Poverty Level (FPL).

What happens if Enhanced Premium Tax Credits expire?

- There will be a tax increase of $700 on average for millions of Americans.
- 4.2 million people will become uninsured by 2035.
- Hospitals, physicians, and other healthcare providers would face more than $32.1 billion in lost revenue in 2026.
- Premiums in Colorado’s Seventh Congressional District will increase by:
  - Broomfield: 168%
  - Chaffee: 191%
  - Custer: 283%
  - Fremont: 265%
  - Jefferson: 161%
  - Lake: 143%
  - Park: 186%
  - Teller: 168%