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Information on the effect of expiring federal health insurance enhanced Premium Tax Credits (PTCs) on Massachusetts residents

HEALTH CARE INSURANCE PREMIUM TAX CREDITS

A significant number of people and families who purchase health insurance through the Affordable Care Act's (ACA) marketplaces are eligible for tax credits that lower the monthly premium payments. These tax credits are income-based and are known as Premium Tax Credits (PTCs). These credits were established through the [Patient Protection and Affordable Care Act](#) (PPACA) which was signed into law in 2010 to make health insurance more affordable in the United States. In 2021, under the [American Rescue Plan Act](#) (ARPA), these credits were enhanced. The [enhanced Premium Tax Credits](#) (enhanced PTCs) extended eligibility for lower health insurance premiums to people whose income exceeds 400 percent of the federal poverty level. The maximum household contribution was also reduced (therefore providing larger subsidy amounts) at all eligible income levels. The enhanced PTCs were extended in the [Inflation Reduction Act](#) (IRA) of 2022. The enhanced PTCs expire on December 31, 2025.

The enhanced PTCs have helped more than 20 million people afford health coverage in the United States and, unless Congress takes action, millions will lose health insurance.

WHAT WE KNOW

First, MassBudget's national partner, the [Center for Budget and Policy Priorities \(CBPP\) reports](#) that the enhancements to the PTCs are currently assisting more than 20 million people to pay for health insurance in the ACA marketplaces. The enhancements have also dramatically increased enrollment in the ACA marketplace, therefore contributing to a record-low number of uninsured people in the country.

Second, the United States Office of the Assistant Secretary for Planning and Evaluation [reports](#) that the enhancements have been particularly vital to helping more Black and Latinx people access affordable health care. People of color made up 54 percent of enrollees in the marketplace in 2024, an increase from 46 percent in 2021. From 2021 to 2024, marketplace enrollment grew by 186 percent for Black people and 159 percent for Latinx people, compared to 66 percent for other racial and ethnic groups.

Third, Congress' Joint Committee on Taxation, in a September 2025 [memorandum](#) reported that if the enhanced PTCs were extended, it will mostly benefit households with an annual income of less than \$80,000.

Fourth, the enhanced PTCs have been vital for self-employed workers and small business owners. The CBPP [estimates that more than 5 million self-employed workers and small business](#) owners are enrolled in the ACA marketplaces. The reluctance by Congress to extend the enhanced PTCs will disproportionately harm small business and self-employed workers and the communities where they operate and live.

Fifth, the [Congressional Budget Office reports](#) that if Congress does not extend the enhanced PTCs the number of people without insurance will rise by 2.2 million in 2026 alone. If there is no permanent extension of the enhanced PTCs, 3.7 million more people will become uninsured by 2027 and about 3.8 million, on average, each year over the 2026-2034 period.

EFFECTS OF NOT EXTENDING ENHANCED PTCs IN MASSACHUSETTS

If the enhanced PTCs are allowed to expire, health insurance costs will increase for people across the Commonwealth at all age and income levels. The One Big Beautiful Bill Act (OB3) enacted on July 4th, 2025, and the regulations for the health insurance exchange marketplace finalized in June 2025 will create additional barriers for Massachusetts residents trying to access health care.

The [CBPP published data](#) in which it projects the financial impact on people and families if the enhanced PTCs are not extended. Below are three examples of the average increase of premiums for Massachusetts residents if the enhanced PTCs are not extended.

- A single individual with a household income of \$64,000 (408 percent of the poverty level) will see their monthly marketplace premium rise from \$453 to \$545 — an annual increase of \$1,094.
- A typical family of four with a household income of \$130,000 (404 percent of the poverty level) will see their monthly marketplace premium go from approximately \$921 to \$1,545 — an annual increase of about \$7,493.
- A typical 60-year-old couple with a household income of \$85,000 (401 percent of the poverty level) will see monthly marketplace premiums jump from \$602 to \$1,704 — an annual increase of roughly \$13,230 annually.

The CBPP also analyzed data on the marketplace enrollees in each congressional district in the country — including Massachusetts' nine (9) congressional districts. This data shows that across the Commonwealth our residents face excessive health insurance premium increases unless Congress acts promptly.

We encourage Massachusetts residents to review this data [by congressional district in Massachusetts](#) to get a more precise view of how they will be impacted when the enhanced PTCs expire in December (see linked spreadsheet of average premium increases by congressional district, various example households in the top right side of the webpage, specifically *line 196 - Massachusetts District 1 to line 204 - Massachusetts District 9*). Below is the data for every Massachusetts district.

**Household Examples of Average Premium Increase by Congressional District
MASSACHUSETTS**

Massachusetts Congressional District	Label	Premiums With Enhancements	Without Enhancements	Increase Without Enhancements	Percent Increase
District 1	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$20,113	\$13,237	193%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,234	\$7,184	65%
District 2	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$21,275	\$14,399	209%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$19,287	\$8,237	75%
District 3	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$20,317	\$13,441	195%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,419	\$7,369	67%
District 4	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$19,620	\$12,744	185%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$17,786	\$6,736	61%
District 5	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$19,869	\$12,993	189%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,013	\$6,963	63%
District 6	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$20,666	\$13,790	201%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,735	\$7,685	70%
District 7	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$20,111	\$13,235	192%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,232	\$7,182	65%
District 8	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$19,885	\$13,009	189%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$18,027	\$6,977	63%
District 9	45-year-old individual, \$32,000 (204% FPL)	\$691	\$1,332	\$641	93%
	60-year-old couple, \$85,000 (401% FPL)	\$6,876	\$21,974	\$15,098	220%
	Family of four, \$130,000 (404% FPL)	\$11,050	\$19,921	\$8,871	80%

REVENUE PROPOSALS TO MITIGATE HARM

The OB3 has drastically reduced the funding for human service programs that support the most vulnerable populations in the country. The budget cuts and changes in eligibility criteria for Medicaid, SNAP, and housing assistance programs will force families to make impossible decisions like choosing between paying rent or going to the doctor. Self-employed workers, elderly residents, and small business owners will be harmed when the enhanced PTCs expire. Massachusetts residents and small businesses will need more

state support to make ends meet. To fund this additional support, it is imperative that our state seriously considers alternative revenue sources that are fair, just, and that do not widen the already large equity gaps between the wealthy and the poor in the Commonwealth. This is the time to be bold and proactively support and provide for our low-income and middle-income families, workers, and communities.

The Massachusetts Budget and Policy Center proposes the below included recommendations, which will enable the Commonwealth to increase its revenue and protect its financial stability. This revenue will allow the state to support residents to manage the massive increases in healthcare expenses.

- Require large, multinational corporations, who shift profits out of the United States to offshore tax havens as a way to avoid federal and state taxes, to [include in their state tax calculations 50 percent of their Global Intangible Low Taxed Income /Net CFC Tested Income \(GILTI / NCTI\) profits.](#)
- Forgo the automatic year-end deposits of excess capital gains tax collections into our very well-funded rainy day fund and make withdrawals from our rainy day fund before making any cuts in the current fiscal year and in FY 2027.
- [Decouple state law from the five most costly federal corporate tax changes](#) (totalling \$463 million in FY 2026 alone) from the OB3.
- [Give municipalities the option to enact a fee on high-end real estate sales](#) to better fund affordable housing locally.