

**Congress of the United States**  
JOINT COMMITTEE ON TAXATION  
Washington, DC 20515-6453

September 18, 2025

**MEMORANDUM**

**TO:**

[REDACTED]

**FROM:**

Thomas A. Barthold *TAB*

**SUBJECT:**

Revenue Estimate and Distributional Analysis

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This memorandum is a response to your request dated September 10, 2025, for a distributional analysis of a one-year and permanent extensions of the temporary premium tax credit structure enacted by the American Rescue Plan Act of 2021 (Public Law 117-2) and later extended through calendar year 2025 in Public Law 117-169. We also provide five- and ten-year revenue estimates of the one-year and permanent extensions of this premium tax credit structure. For the purposes of this analysis, we assume an enactment date before October 1, 2025.

We produced these estimates in conjunction with the Congressional Budget Office. The estimates are relative to the Congressional Budget Office macroeconomic forecast published in January 2025 and incorporate administrative actions and enacted legislation through August 22, 2025.

We estimate the one-year and permanent extensions of the temporary premium tax credit structure would have the following effects on Federal fiscal year budget receipts:

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<b>Fiscal Years</b> <b>[Billions of Dollars]</b>												
<b><u>Item</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>	<b><u>2026-30</u></b>	<b><u>2026-35</u></b>
One-year extension[1][2]..	-23.4	-6.4	-0.4	-0.1	[3]	[3]	[3]	[3]	---	---	-30.4	-30.3
Permanent extension[1][2]..	-23.4	-31.9	-30.4	-31.2	-32.8	-35.1	-38.8	-40.3	-42.0	-43.9	-149.7	-349.8

**NOTE:** Details may not add to totals due to rounding.

[1] Estimates include the following off-budget effects:

	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>	<b><u>2026-30</u></b>	<b><u>2026-35</u></b>
One-year extension.....	0.5	0.7	0.2	[4]	[4]	[4]	---	---	---	---	1.4	1.4

Permanent extension.....	0.5	1.9	2.9	3.6	4.5	5.0	5.2	5.5	5.9	6.2	13.4	41.2
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[2] Estimates include the following outlay effects:

	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>	<b><u>2026-30</u></b>	<b><u>2026-35</u></b>
One-year extension.....	23.5	-3.2	-0.5	---	---	---	---	---	---	---	19.8	19.8

Permanent extension.....	24.6	26.3	24.1	26.6	28.3	29.9	32.0	33.5	34.7	35.7	129.9	295.7
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[3] Gain of less than 500,000.

[4] Loss of less than 500,000.

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**Distribution of the Estimated Revenue Effects<sup>[1]</sup> of a One-Year Extension of the Premium Tax Credit (PTC) Structure<sup>[2]</sup> in the American Rescue Plan Act of 2021 (ARPA, Public Law 117-2) and Later Extended in the 2022 Reconciliation Act (P.L. 117-169)**

Income Category <sup>[3]</sup>	2026	2027
	(Billions)	
Less than \$15,000.....	-0.8	-0.4
\$15,000 to \$30,000.....	-2.2	-0.6
\$30,000 to \$40,000.....	-2.9	-0.3
\$40,000 to \$50,000.....	-2.8	0.0
\$50,000 to \$60,000.....	-1.9	0.2
\$60,000 to \$80,000.....	-3.7	0.3
\$80,000 to \$100,000.....	-2.9	0.4
\$100,000 to \$150,000.....	-5.9	0.4
\$150,000 to \$200,000.....	-2.3	0.2
\$200,000 to \$500,000.....	-1.5	0.0
\$500,000 to \$1,000,000.....	---	---
\$1,000,000 and over.....	---	---
<b>Total.....</b>	<b>-27.1</b>	<b>0.2</b>

**Source: Joint Committee on Taxation**

Note: Details may not add to totals due to rounding.

[1] Estimate provided by the Joint Committee on Taxation staff in collaboration with the Congressional Budget Office.

The estimates are relative to the Congressional Budget Office macroeconomic forecast published in January 2025 and incorporate administrative actions and enacted legislation through August 22, 2025.

[2] This table provides distributional analysis of the estimated effects of a permanent extension of the enhanced premium tax credit structure provided in the attached letter. Distributional analysis excludes effects due to changes to Medicaid/CHIP, the basic health program, the employer mandate penalties, and the small business health insurance general business credit. Individuals who are dependents of other taxpayers, and taxpayers with negative income are excluded from the analysis.

[3] The measure of income used to place tax returns into income categories is adjusted gross income (AGI) plus:

(1) tax-exempt interest, (2) employer contributions for health plans and life insurance, (3) employer share of FICA tax, (4) workers' compensation, (5) nontaxable Social Security benefits, (6) insurance value of Medicare benefits, (7) alternative minimum tax preference items, (8) individual share of business taxes, and (9) excluded income of U.S. citizens living abroad. Categories are measured at 2025 levels.

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**Distribution of the Estimated Revenue Effects<sup>[1]</sup> of a Permanent Extension of the Premium Tax Credit (PTC) Structure<sup>[2]</sup> in the American Rescue Plan Act of 2021 (ARPA, Public Law 117-2) and Later Extended in the 2022 Reconciliation Act (P.L. 117-169)**

Income Category <sup>[3]</sup>	2026	2027	2029	2031	2033	2035
	(Billions)					
Less than \$15,000.....	-0.8	-2.4	-2.8	-3.3	-3.3	-4.0
\$15,000 to \$30,000.....	-2.2	-4.7	-5.5	-6.5	-7.1	-7.8
\$30,000 to \$40,000.....	-2.9	-3.6	-3.3	-3.8	-3.9	-4.0
\$40,000 to \$50,000.....	-2.8	-2.1	-1.6	-2.1	-1.9	-2.3
\$50,000 to \$60,000.....	-1.9	-1.1	-1.0	-1.2	-1.4	-1.4
\$60,000 to \$80,000.....	-3.7	-2.5	-2.1	-2.8	-2.8	-3.2
\$80,000 to \$100,000.....	-2.9	-1.6	-1.6	-1.9	-2.1	-2.4
\$100,000 to \$150,000.....	-5.9	-4.7	-4.9	-6.0	-7.0	-8.1
\$150,000 to \$200,000.....	-2.3	-2.4	-2.2	-2.5	-2.9	-3.3
\$200,000 to \$500,000.....	-1.5	-1.2	-0.9	-1.3	-1.5	-1.8
\$500,000 to \$1,000,000.....	---	---	---	---	---	---
\$1,000,000 and over.....	---	---	---	---	---	---
<b>Total.....</b>	<b>-27.1</b>	<b>-26.5</b>	<b>-25.9</b>	<b>-31.3</b>	<b>-33.9</b>	<b>-38.4</b>

**Source: Joint Committee on Taxation**

Note: Details may not add to totals due to rounding.

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