



September 8, 2025

Open Letter to Congress: Allow COVID-Era Enhanced Obamacare Credits to Expire

Dear Members of Congress,

On behalf of National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our strong opposition to extending the enhanced Obamacare Premium Tax Credit (PTC) before it expires at the end of 2025. This expanded credit, created as a temporary measure during President Biden's COVID spending spree, continues to burden taxpayers and distort health care markets.

We urge you to hold the line by allowing the expanded PTC to expire as scheduled.

As you know, Biden's COVID-era laws temporarily expanded Obamacare's premium tax credits by increasing the size of the credits and expanding eligibility. This included raising the income cap to allow taxpayer benefits to go to people making nearly [\\$500,000](#). At the time, Democrats used the ongoing public health emergency to justify this major Obamacare expansion, but, four years later, there is no longer a rationale for keeping these credits in place. Taxpayers should not be on the hook for the extended benefits to upper-income households who were never intended to be subsidized under Obamacare.

Research by the Paragon Health Institute indicates the credit is rife with waste, fraud, and abuse.

"These COVID credits caused a surge of enrollment in the exchanges and higher insurer profits, although many new enrollees were ineligible, unaware they were signed up, or never used their plan," according to the Paragon report.

The Internal Revenue Service's Inspector General writes that the PTC suffers from an improper payment rate of 26% ([FY23 data](#)), representing the highest improper payment rate among government-funded health care programs,"

If the generous COVID credits are extended permanently, [CBO estimates](#) it would add an average of \$40 billion to the deficit per year. It is clearly an incredibly expensive subsidy that should be on the chopping block during this period of record high debts. Today, our deficits hover near \$2 trillion annually, and interest payments on our national debt are rapidly becoming one of the largest budget items. Allowing the PTC expansion to expire is a small but meaningful way to demonstrate seriousness about restoring fiscal discipline.

Americans are rightly concerned about the increasingly unaffordable cost of health care, but the solution to this problem is less government involvement, not more. When the government artificially subsidizes

premiums, insurers and healthcare providers are rewarded for raising costs rather than competing to deliver lower costs. Market-based reforms—not endless subsidies—are the best path toward affordable care.

By allowing the expanded PTC to lapse, Congress can help bring discipline back into the healthcare market instead of pouring more borrowed money into a failing system. We respectfully urge you to hold the line against a continuation of supersized COVID/Obamacare subsidies.

Sincerely,

Thomas Aiello
Senior Director of Government Affairs