

# The Promise of Tax Savings from the OBBBA are at risk from the Expiring Health Care Tax Credit



**Congress must act now to extend the health care tax credit and protect the full value of tax relief for working American families.**

According to the Council of Economic Advisors (CEA), “Even without the enhancements in the One Big Beautiful Bill [OBBBA], a typical median-income family with two children<sup>1</sup> can expect a lower tax bill of about \$1,700 compared to if the [2017 Tax Cuts and Jobs Act (TCJA)] expires.”<sup>2</sup> But those savings are at risk for more than 22 million Americans.<sup>3</sup>

Without Congressional action to extend the enhanced health care tax credit — set to expire this year — that same family of four could see their health insurance premiums spike by 91%, increasing their premiums by \$2,947 and creating a -\$1,247 family budget shortfall that erases all of their base tax benefit.

## HOUSEHOLD BUDGET EFFECTS:

*OBBBA Tax Savings vs. Impact of Health Care Tax Credit Expiration*

**\$1,700**

**Tax Relief under OBBBA**



**\$2,947**

**Premium Increase**  
due to expiring Health  
Care Tax Credit



**– \$1,247**

**Budget shortfall  
for an average  
family of 4<sup>1</sup>**



**OBBBA PROVIDES NEW TAX SAVINGS –**

**But Families Face Major Budget Gaps  
if the Health Care Tax Credit Expires**

According to analysis by tax experts at FTI Consulting,\* millions of American families will have new tax savings in FY2025 due to the extension of the TCJA under the OBBBA. However, unless Washington acts to extend the health care tax credit, these same families could face higher out-of-pocket costs that erode their financial gains under OBBBA.

HOUSEHOLD TYPE	OBBBA “BASE” TAX SAVINGS	PREMIUM COST SPIKE	NET BUDGET IMPACT
60-year-old couple earning \$82,800 a year	\$292	+\$17,500	-\$17,208
Family of four earning \$129,800 a year (ages 40, 40, 10, 5)	\$1,184	+\$7,700	-\$6,516
Family of four earning \$64,000 a year (ages 40, 40, 10, 5)**	\$692	+\$2,600	-\$1,908

\* Methodology: Certified Public Accountants at FTI Consulting evaluated annual taxes for FY2024 (pre-OBBBA) and FY2025 (post-OBBBA) per family using incomes from employment (W-2). CPAs assumed all families took the standard deduction and received the child tax credit, if applicable. Savings were then calculated by determining the difference in annual taxes between the two years. Premium increases were determined using the premium calculator tool from Keep Americans Covered: [calculator.americanscovered.org/](https://calculator.americanscovered.org/)

\*\* Family receives tax refund.

1 Median income of \$80,160 for a family of four based on 2023 U.S. Census data. <https://www.census.gov/library/publications/2024/demo/p60-282.html>

2 See page 7, Section and Table: Extending and Enhancing Individual Provisions from the TCJA. “Preserving and Expanding Low Tax Rates to Create American Economic Prosperity,” The Council of Economic Advisers, May 2025. <https://www.whitehouse.gov/wp-content/uploads/2025/03/Preserving-and-Expanding-Low-Tax-Rates-to-Create-American-Economic-Prosperity.pdf>

3 “Health Insurance Exchanges 2025 Open Enrollment Report,” Centers for Medicare & Medicaid Services, May 2025. <https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-reportpdf508-compliant.pdf>

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to extend the health care  
tax credit**

