



# Providing Tax Credits to Low- and Middle-Income Americans

## The Problem

Obamacare forced millions of Americans into a collapsing insurance market with skyrocketing premiums and dwindling choices, or into Medicaid—a flawed program with even fewer choices and less access to quality care. On top of that, because of the law’s flawed subsidy structure, millions of low- and middle-income Americans—who don’t receive insurance through work or a government program like Medicaid—were left without any help to pay for expensive health care they did not want and could not afford.



## Helping those Obamacare left behind

### EXAMPLE 1

Under Obamacare, an elderly couple living in Texas and making \$80,000 a year is forced to purchase expensive insurance they don’t want or need. Under the *American Health Care Act*, the couple receives an \$8,000 tax credit to help purchase a plan that fits their needs.

### EXAMPLE 2

Under Obamacare, a 30-year old single mother, working part-time in Nebraska and making \$16,000 a year, is forced to purchase insurance dictated by Washington for her and her child. Under the *American Health Care Act*, she will receive a \$4,500 tax credit to help her purchase a plan that better meets needs of her and her child.



## Fiscally Responsible

To ensure our legislation helps those in need, we designed the tax credit to phase down by \$100 for every \$1,000 increase in income over \$75,000 for individuals and \$150,000 for families.

## The Solution

The *American Health Care Act* repeals Obamacare’s flawed subsidies in 2020. Moving forward, just as President Trump called for, our legislation helps Americans access affordable, quality health care by providing a monthly tax credit for low- and middle-income individuals and families who don’t receive insurance through work or a government program.

The tax credit will go directly toward funding premiums for the plan individuals and families choose, as well as toward their health savings account.

This idea—which was included in Health and Human Services Secretary Tom Price’s health care legislation, Empowering Patients First Act—will help ensure all Americans have access to quality, affordable health care options that are tailored to their needs—not dictated by Washington.

Specifically, the tax credits in the *American Health Care Act* are:

- **Targeted to low- and middle-income Americans** who don’t already have access to health insurance through work or a government program.
- **Based on age and family size** so as your health care needs evolve over time, so will the size of your tax credit. Individuals and families will be eligible to receive a tax credit each year between \$2,000 and \$14,000.
- **Advanceable, refundable, and credible** so Americans of all walks of life—small business owners, entrepreneurs, or early retirees—can purchase a health care plan that’s right for them.