

# Extend the Enhanced Premium Tax Credits For Small Businesses & Self-Employed Workers



## Ensure Affordable Coverage

- Small business owners and self-employed workers have long struggled to afford high-quality health coverage. Unlike most workers who get insurance through their jobs, they often have to buy it on their own – at high costs and with limited options.
- Today, anyone without access to affordable health coverage can get it on their own and qualify for tax credits if their premiums are unaffordable as a share of their income.
- Many American businesses – and the workers who keep them going – rely on enhanced premium tax credits to afford health coverage.



## Support Small Business Owners

- Nationwide, **5 million small business owners and self-employed workers rely on the individual marketplace for coverage**, up from 2.6 million in 2021.<sup>1</sup>
  - Florida (600,000) and Texas (400,000) led the nation in small business owners and self-employed workers with marketplace plans in 2022.
- At least 1 in 4 Marketplace enrollees (28%) are small business owners or self-employed.
- Nearly a quarter (23%) of self-employed workers and small business owners rely on the Marketplace for coverage, compared to 6% of other working-age adults.<sup>2</sup>



## Drive Entrepreneurship and Growth

- The enhanced tax credits reduce premiums for almost everyone enrolled in the individual Marketplace, particularly in states with high numbers of self-employed workers, like Florida, Georgia and the Carolinas.
- Entrepreneurs can take risks, launch new ventures, and scale their businesses without worrying about losing access to healthcare.
- Gig workers can maintain the flexibility they need without sacrificing financial security and health coverage.



## Maintain Financial Stability

- Small businesses, especially with fewer than 10 workers, find it harder than ever to offer health benefits due to rising premiums and administrative costs.
- By helping employees afford their own coverage, enhanced premium tax credits free entrepreneurs from having to worry about managing expensive employer-sponsored plans. Instead, they can focus on growing their business and creating jobs.
- If enhanced premium tax credits expire, **the U.S. could lose more than 285,000 jobs**. By 2026, **total GDP is projected to decline by \$34 billion**, with **total economic output shrinking by \$57 billion**. These losses would also result in a \$2.1 billion reduction in state and local tax revenues and a \$5.4 billion drop in federal tax revenues.<sup>3</sup>

**Extending the enhanced premium tax credits beyond 2025 will support small business success, strengthen local economies and fuel long-term economic growth.**

<sup>1</sup> Center on Budget and Policy Priorities (April 2023), "[5 Million Small-Business Owners and Self-Employed Workers Likely Enrolled in ACA Coverage](#)."

<sup>2</sup> U.S. Department of Health and Human Services, "[Marketplace Coverage and Economic Benefits](#)," November 2024.

<sup>3</sup> Commonwealth Fund (March 2025), "[The Cost of Eliminating Enhanced Premium Tax Credits](#)."