

The Premium Tax Credit



Your Credit. Your Choice.

Your Credit

The premium tax credit is a refundable credit that helps eligible individuals and families with low or moderate income who enroll in health insurance through a Health Insurance Marketplace afford coverage.

You are eligible for the premium tax credit if you meet all of the following:

- Enroll yourself or a family member in coverage through a Health Insurance Marketplace for a month in which you or the family member is not eligible for other health coverage such as coverage through an employer or government plan
- Pay your health insurance premiums by the due date of your return
- Have household income that falls within a certain range
- Do not file a Married Filing Separately return unless you meet certain [criteria](#)
- Cannot be claimed as a dependent by another person

Your Choice

When you enroll, the Marketplace will determine if you are eligible for advance payments of the premium tax credit by estimating the credit you will be allowed when you file your tax return for the year. Advance credit payments are paid directly to your insurance company on your behalf to lower the out-of-pocket cost you pay for your health insurance premiums.

If you are eligible for advance credit payments, you can choose to have:

- **ALL** of the amount for which you are eligible paid in advance to your insurance company.
- **SOME** of the amount for which you are eligible paid in advance and then wait to receive any difference between your premium tax credit and your advance credit payments when you file your tax return.
- **NONE** of the amount for which you are eligible paid in advance and then wait to get all of the benefit of the premium tax credit when you file your tax return.

You must file a federal tax return if advance credit payments were made for you, or if you want to claim the premium tax credit. If advance credit payments are made for you, you must reconcile – or compare – your advance credit payments with the actual premium tax credit you are allowed. If your advance credit payments are more than your premium tax credit, you must increase the taxes you owe or reduce your refund by all or a portion of the difference. If your premium tax credit is more than your advance credit payments, you will increase your refund or lower your balance due by the difference.

For more information about your coverage options, financial assistance and the Marketplace, visit [HealthCare.gov](https://www.healthcare.gov).

Find out more about more about the Premium Tax Credit at [IRS.gov/aca](https://www.irs.gov/aca)