Marketplace Premium Tax Credit:
What Happens at Tax Time?

If you received or used a premium tax credit (APTC) to help pay for your Marketplace health insurance, you'll need to reconcile it when you file your federal taxes.

1 When you enroll

You estimate your household income for the coverage year.

2 During the year

If you qualify, you can use APTC to lower your monthly Marketplace premium.

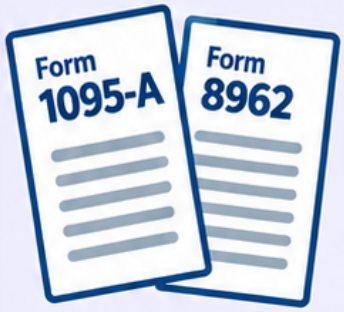
The Marketplace sends the advance credit to your insurance company, on your behalf.

3 At tax time

Your final household income is used to calculate the premium tax credit (PTC) you actually qualify for.

4 Reconcile

Compare the APTC you received with the PTC you actually qualify for, using Form 1095-A and IRS Form 8962.



You used LESS than you qualify for

You may get the difference as an additional tax credit or a larger refund.

You used MORE than you qualify for

For 2026 and later, the full excess APTC generally increases the tax you owe; there is no repayment cap.