

# Understanding Your Tax Credits



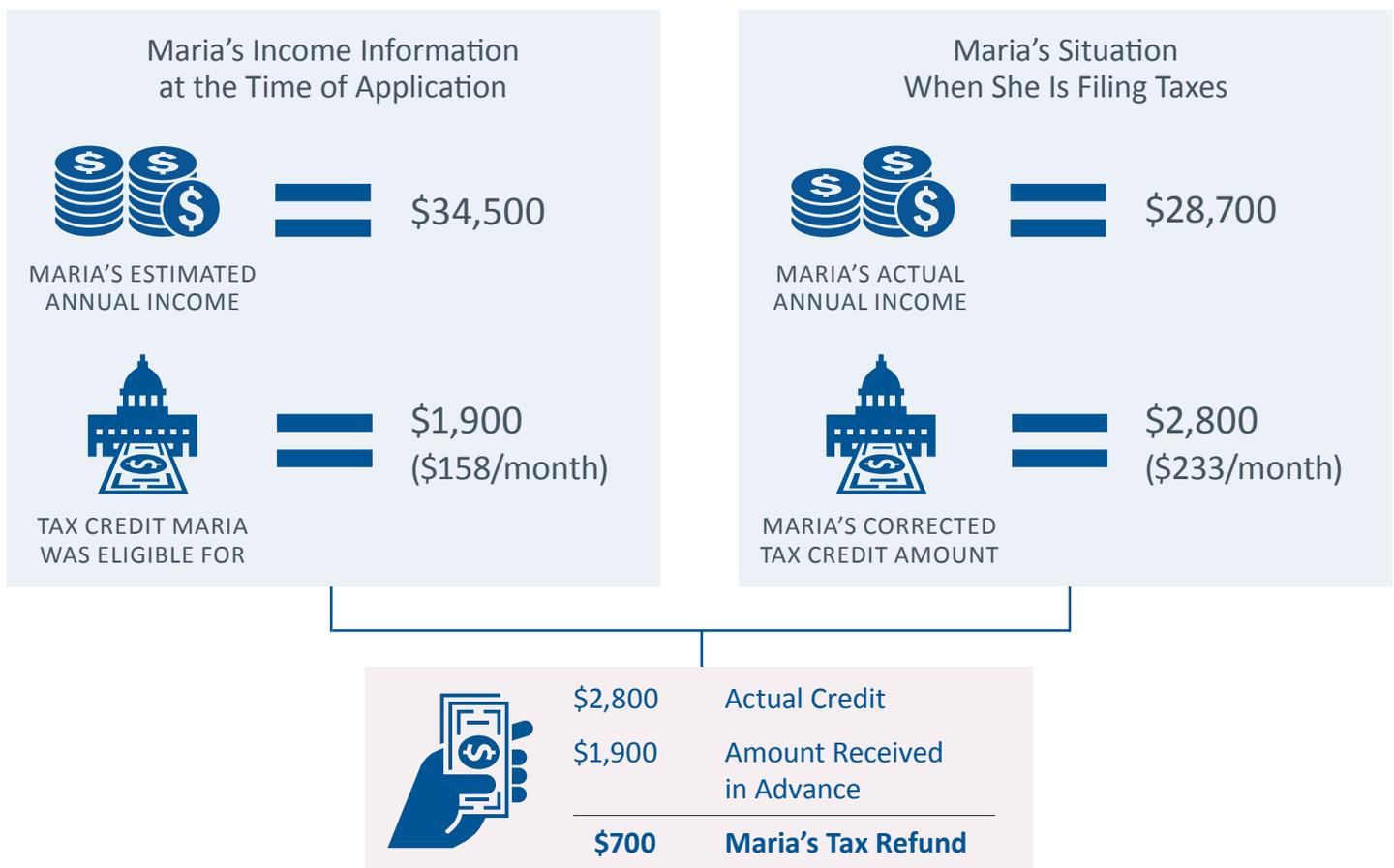
The Advance Premium Tax Credit (APTC) helps make your health insurance more affordable. The money will not be provided directly to you; instead, the federal government will use the APTC to pay a portion of the health plan you have selected. Here are two examples.

Here is an example where a person ended up receiving a tax refund at the end of the year because her income decreased. Maria applied for health insurance coverage and was approved for an APTC. She decided to receive the entire APTC in advance. Then her hours were cut at work, so she didn't earn as much money by the end of the year as she had expected to. With her income being lower, she was eligible for a larger tax credit, so she received a tax refund.



## Example 1: Maria Is Due a Tax Refund

Amounts of income, APTC, and repayment are for illustrative purposes only.



This resource has been modified from its original format. The information included was developed by the RWJF State Health Reform Assistance Network, [www.statenetwork.org](http://www.statenetwork.org).

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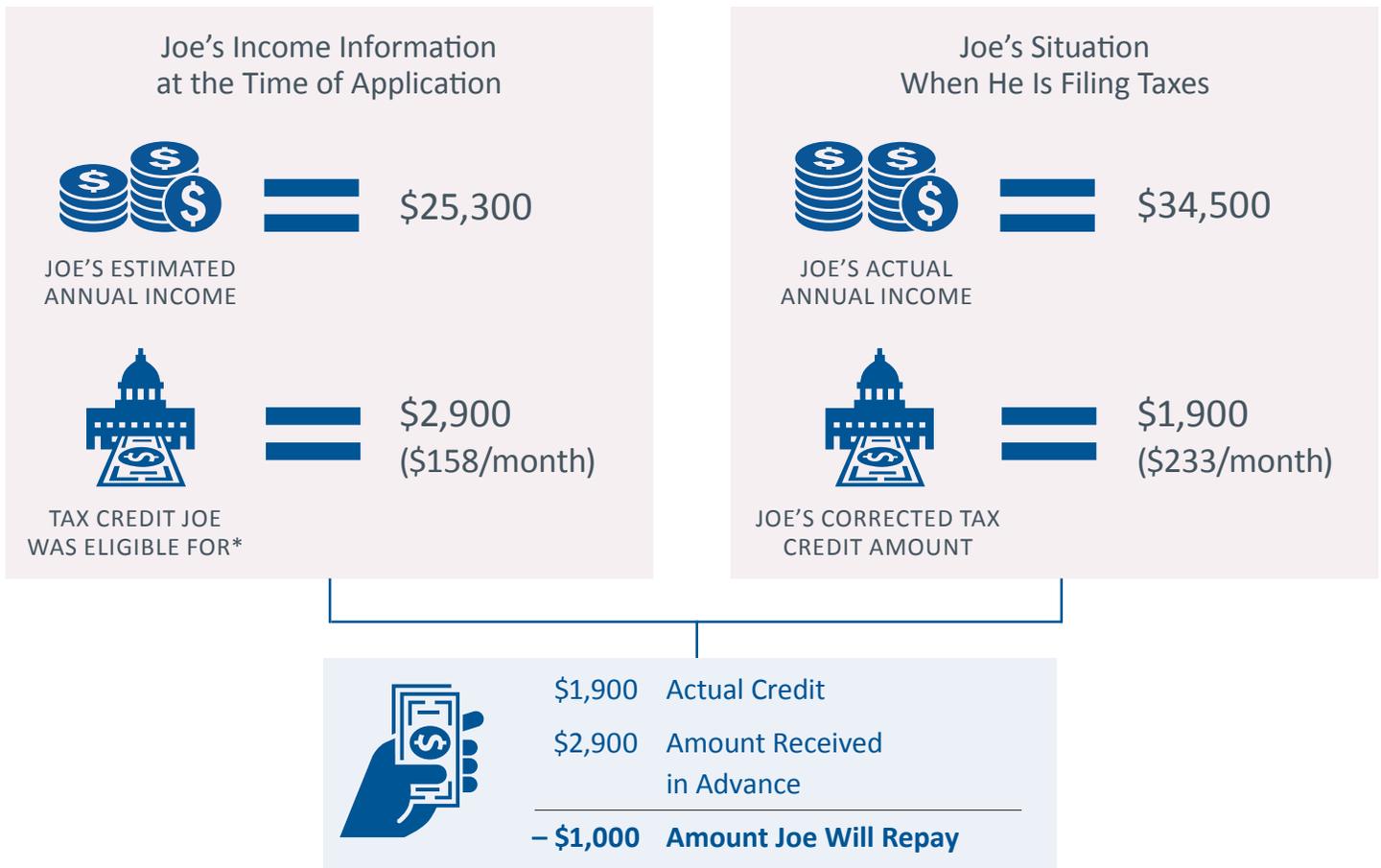
The Advance Premium Tax Credit (APTC) helps make your health insurance more affordable. The money will not be provided directly to you; instead, the federal government will use the APTC to pay a portion of the health plan you have selected.

Here is an example where a person ended up having to repay the government for some of the the amount of APTC he received because his income increased. Joe applied for health insurance coverage and was approved for an APTC. He decided to receive the entire APTC in advance. But part-way through the year, he found a better-paying job, so he earned more money by the end of the year than he expected. That means that Joe may have to repay the government for some of the APTC that he originally qualified for.



## Example 2: Joe Repays Excess APTC

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