

AMERICANS  
for TAX REFORM

September 26th, 2025

The Honorable Donald J. Trump  
President of the United States  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500



## RE: Coalition in Support of Letting the Biden COVID Credits Expire at the End of the Year

Dear Mr. President,

We, the undersigned organizations, applaud you for [rejecting](#) the “unserious and ridiculous demands” made by Democrats in their threats to shut the government down.

We stand by your position that, at this point, no meeting with Democrat congressional leaders could possibly be productive. The unserious laundry list of progressive demands proves that Democrats would be responsible for any government shutdown. This is not a negotiation over policy, it is an act of political cowardice. Chuck Schumer is afraid of his base.

We urge your Administration to continue fighting the radical Left’s agenda: specifically, by allowing the Biden COVID credits to expire.

Frontline Democrats have [threatened](#) a government shutdown, refusing to support Republicans’ clean continuing resolution (CR) that would fund the government through November 21. Democrats’ “[counter plan](#)” includes a number of preposterous demands – most significant, an extension of the enhanced tax credit. This would be disastrous.

**Making the Biden COVID credits permanent would be tremendously expensive, increase premiums in the long-term, and encourage widespread fraud.**

In the American Rescue Plan (ARP), President Biden and congressional Democrats expanded Obamacare subsidies by increasing benefits for households at every income level and expanding them to households earning more than 400 percent of the federal poverty level, *including those making over \$500,000 per year*. These expanded subsidies were then extended through 2025 in the Inflation Reduction Act.

**The Biden COVID credits were always supposed to be temporary.** At the time they were passed, the American people were assured that the expanded premium tax credits were a necessary and temporary response to the global pandemic. Four years later, we have moved on from the pandemic, but taxpayers are still on the hook for rising premiums. Notably, roughly [half](#) of new enrollees would not have been eligible under the original ACA framework, as their incomes exceed the 400 percent federal poverty level.

**In the long-term, the Biden COVID credits *raise* premiums.** Even with these policies in place, a CBO [report](#) confirmed that premiums for exchange plans are rising more quickly than originally anticipated. When the government subsidizes the



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cost of anything, sellers inevitably raise their prices. The government will pay for it, after all. As a result, the hundreds of billions of dollars spent on this expansion are going straight to insurers, not to patients. While some Americans may be concerned about premiums going up in the short term, removing the incentive for insurers to continue raising their prices will save patients money in the long run.



**The Biden COVID credits are further bankrupting our country.** [According](#) to the Congressional Budget Office, expanding the subsidies would cost around \$35 billion per year, or \$350 billion over the next decade. For reference, *this is over 3 times the size of your No Tax on Tips initiative*. As the Economic Policy Innovation Center [detailed](#), “resulting increases in net interest costs would add another \$64 billion, for a total cost of \$448 billion over the FY 2026 to 2035 period.” The cost of premium tax credits was already colossal – costing taxpayers \$1 trillion over 10 years. It is unacceptable for a “temporary” expansion to raise that cost by roughly 45 percent.



**The Biden COVID credits have led to widespread fraud, as lax verification has enabled millions to qualify improperly.** The Paragon Health Institute [estimated](#) that 6.4 million Americans are improperly enrolled in Obamacare exchanges, a number that surged by more than one-quarter from 2024 to 2025. This level of improper enrollment, which is likely an underestimation, will cost taxpayers up to \$27 billion *this year*.



As Paragon details in their report, after the PTC expansion, there was a surge in enrollment and higher-than-ever insurer profits, with many of these enrollees “ineligible, unaware they were signed up, or never [having] used their plan.” This mirrors Paragon’s research regarding phantom Obamacare enrollees, [finding that](#) “a staggering 40 percent of enrollees in 94 percent actuarial value silver plans and bronze plans had no medical claims in 2024.” No doctor visits, services received, or prescriptions filled.



The massive cost of this expansion not only puts our country further in debt, but these federal dollars are going straight to insurance companies, not patients, who now have little incentive to keep their costs low. The expanded subsidies have encouraged rampant fraud and are putting taxpayers on the hook for high-income earners’ payments.



**Knowing your Administration’s dedication to reining in wasteful spending and fraud, we urge you to let the Biden COVID credits expire, not extend them or — worse — make them permanent.**

Onward,

Grover Norquist  
President, Americans for Tax Reform

Saulius “Saul” Anuzis  
President, American Association of Senior Citizens

Dick Patten  
President, American Business Defense Council

Phil Kerpen  
President, American Commitment





Brent Gardner  
Chief Government Affairs Officer, Americans for Prosperity

Rep. David Ray  
Arkansas State Representative, District 69



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President, Center for a Free Economy

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