

March 14, 2016

Dear Member of Congress:

I write in support of H.R. 4723, legislation introduced by Congresswoman Lynn Jenkins (R-Kan.) to recapture the value of tax credits erroneously-claimed under Obamacare.

**This legislation is entirely consistent with the Taxpayer Protection Pledge and ATR encourages all Members of Congress to support, co-sponsor, and vote for this important bill.**

Specifically, this legislation requires all individuals who receive improper Obamacare exchange subsidies to repay the full amount of overpayments. This will save taxpayers \$8.7 billion over two years.

Under Obamacare, individuals who purchase insurance from an exchange are generally eligible for a tax credit which is both refundable (meaning that it can be used even if income tax liability is zero), and advance-able (meaning that it is given at the beginning of a tax year, prior to the ultimate income level of the taxpayer for that year being known).

Because the ultimate earnings of a taxpayer cannot be known at the beginning of the year, the IRS must use a prior tax return's income level to determine probable eligibility for the credit, and at what size.

**While this may be scored by the Joint Tax Committee as an increase in revenues, it is assuredly not a tax increase.** This money was advanced to the taxpayer **in error**, based on outdated tax return information about the taxpayer. No one is at fault, but it is hardly a tax increase for taxpayers to benefit only from those tax provisions that the law allows them.

**As such, efforts to recapture advanced tax credits when the 1040 is ultimately filed is in full compliance with the Taxpayer Protection Pledge.** ATR urges full support for Congresswoman Jenkins' legislation.

Onward,



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