



January 9, 2026

The Honorable John Thune  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

Dear Senate Majority Leader Thune and Senate Minority Leader Schumer:

As a leading representative of America's 36 million small businesses, Small Business Majority urges the Senate to swiftly pass the clean, three-year extension of the Affordable Care Act's (ACA) enhanced premium tax credits (EPTCs) that recently passed the House with bipartisan support. With the 2026 plan year already underway, the expiration of the EPTCs last month has left millions of small business owners and employees who rely on the ACA Marketplace facing significantly higher premium costs, threatening not only their ability to afford health coverage but also to keep their businesses afloat.

High-quality healthcare is a priority for small businesses and their employees, and the vast majority of the smallest businesses lack the resources to provide employer-sponsored coverage. For these businesses and entrepreneurs, the 2013 launch of the ACA Marketplace, along with the expansion of the premium tax credit in 2021 and 2022, transformed access to affordable, high-quality healthcare coverage. As a result, **small business owners and their employees now make up nearly half of all ACA Marketplace enrollees.**<sup>1</sup> The importance of the EPTCs to the small business community cannot be overstated, as roughly 85% of the 5.2 million small business owners and self-employed entrepreneurs enrolled in the Marketplace last year relied on the tax credit to lower their monthly premium costs.<sup>2</sup> That's why our research found **74% of small business owners support extending the tax credits.**<sup>3</sup>

Since the expiration of the EPTCs in December, millions of entrepreneurs and small business employees enrolled in the Marketplace are facing a harsh reality. Annual premium payments are forecasted to increase by an average of 114%, and the more than 4.4 million small business owners and entrepreneurs enrolled in the Marketplace last year who claimed the credit could each lose an average of \$1,500 in premium assistance this year.<sup>4</sup> <sup>5</sup> As similar premium increases are being felt by small businesses in the small group market, it's no surprise that two-thirds of small business owners report that these cost increases strain their finances, with nearly half describing the burden as major.<sup>6</sup>

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<sup>1</sup> "About Half of Adults with ACA Marketplace Coverage are Small Business Owners, Employees, or Self-Employed." KFF. September 10, 2025. <https://www.kff.org/affordable-care-act/about-half-of-adults-with-aca-marketplace-coverage-are-small-business-owners-employees-or-self-employed/>

<sup>2</sup> "RELEASE: 4.4 Million Small-Business People Face \$1,500 Increase in Health Premium Costs if Congress Fails To Extend Enhanced Tax Credits." The Center for American Progress. October 28, 2025. <https://www.americanprogress.org/press/release-4-4-million-small-business-people-face-1500-increase-in-health-premium-costs-if-congress-fails-to-extend-enhanced-tax-credits/>

<sup>3</sup> "The expiration of the ACA's enhanced premium tax credits will devastate the small business community." Small Business Majority. 2025. <https://smallbusinessmajority.org/sites/default/files/policy-docs/Impact-of-EPTCs-on-Small-Business%20Owners%202025.pdf>

<sup>4</sup> "ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire." KFF. September 30, 2025. <https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/>

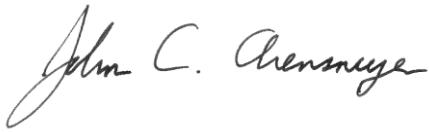
<sup>5</sup> "RELEASE: 4.4 Million Small-Business People Face \$1,500 Increase in Health Premium Costs if Congress Fails To Extend Enhanced Tax Credits." The Center for American Progress. October 28, 2025. <https://www.americanprogress.org/press/release-4-4-million-small-business-people-face-1500-increase-in-health-premium-costs-if-congress-fails-to-extend-enhanced-tax-credits/>

<sup>6</sup> "Voice of Main Street: Small businesses support healthcare premium relief, immigration reform." Small Business Majority. November 13, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform>

The House's recent bipartisan passage of a clean, three-year extension presents the Senate with a critical opportunity to deliver immediate relief to the nation's small business ecosystem. With each passing week, small business owners will continue to needlessly suffer the financial strain of paying more for the same plan without added benefits. Small Business Majority urges Senators to act in the best interest of small business owners and their employees who rely on enhanced subsidies to afford the health coverage that allows them to remain vital contributors to their local communities and economies. This bipartisan, three-year extension represents one final opportunity for lawmakers to stand up for Main Street before more damage can be done.

Thank you for your time and consideration of this important matter. Should you have any questions, please contact Alexis D'Amato, our Government Affairs Director, at [adamato@smallbusinessmajority.org](mailto:adamato@smallbusinessmajority.org).

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer". The signature is written in a cursive style with a large, sweeping initial "J".

John Arensmeyer  
Founder & CEO  
Small Business Majority