



Bipartisan Policy Center **Action**

September 16, 2025

The Honorable Scott Bessent
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent:

Caregiving responsibilities remain [persistent barriers](#) to workforce participation for many parents, particularly [women](#). But access to important benefits offered by employers, such as child care and paid family leave, remains [low](#). Two [business tax credits](#)—the **Employer-Provided Child Care Credit (45F)** and the **Paid Family and Medical Leave Tax Credit (45S)**—have the potential to tremendously impact businesses' ability to support employees and expand families' access to these critical workplace supports, ultimately bolstering families, local communities, and the broader economy.

The Bipartisan Policy Center and its advocacy affiliate, Bipartisan Policy Center Action, are unique in their approach to addressing the nation's most pressing issues. As the only organization working across the full political spectrum on domestic issues, BPC brings together diverse perspectives to craft data-driven, pragmatic policy solutions. BPC Action then works directly with legislators and other policymakers to turn those solutions into real change.

BPC and BPC Action support the recent changes to these credits as part of H.R. 1, the One Big Beautiful Bill Act (OBBA), and we want to ensure that businesses and families reap the benefits of these policy changes. Uptake of the 45F and 45S credits has historically been low. According to a [2022 Government Accountability Office \(GAO\) report](#), only 169 to 278 businesses claimed the 45F credit in 2016, the most recent year for which data is available. While approximately [1,000 firms](#) claimed the 45S credit between July 2020 and June 2021, most of those dollars went to larger businesses.

The GAO report identified several barriers to uptake, including the fact that the credits did not sufficiently offset the cost of providing these benefits to workers. Lawmakers addressed these concerns in the OBBA legislation, which increased the 45F credit and made 45S permanent. Targeted outreach and education by the administration can help expand employer awareness and uptake of both credits, which is critical to maximizing their success.

To ensure the future success of these credits, the administration should consider the following recommendations to ensure smooth implementation for businesses.

1. **Clarify outstanding regulatory questions expeditiously to ensure that businesses can increase access to child care and paid family leave support for workers.**

Maintaining a public-facing FAQ, among other resources, that answers regulatory questions should be readily available to businesses.

2. **Develop targeted outreach and educational materials for businesses to better understand how to access these credits.** Too many businesses are unaware that these credits exist, hindering their effectiveness. Developing public-facing materials that clearly explain how the credits work, how employers can utilize them to provide greater benefits to workers, and frequently asked questions guidance would greatly benefit businesses seeking to claim these credits.
3. **Coordinate with other federal agencies to disseminate information to increase awareness, particularly among small businesses.** Working with other agencies, such as the IRS, Department of Labor, and Small Business Administration, among others, to disseminate information to business entities and direct them to the appropriate channels for information would increase awareness of these credits.
4. **Continue to understand the impact of these two credits and barriers to uptake.** GAO previously conducted a study to better understand the efficacy of the 45F credit, and the reconciliation bill made great strides to implement several of the proposed changes. The Department should monitor the usage and success of targeted outreach and the resulting impacts on credit take-up to ensure that employers successfully access benefits.

BPC and BPC Action strongly believe that businesses and communities thrive when workers' caregiving needs are addressed. The administration should prioritize targeted outreach to all employers that demonstrates the value of the credits available and how they can use them to expand access to crucial child care benefits and paid family leave for workers, emphasizing their ability to boost business productivity and economic output.

We are committed to supporting the Treasury Department in efforts to increase access to and uptake of the 45F and 45S credit and are ready to collaborate with you as you move through the regulatory process.

Sincerely,



Michele Stockwell
President, BPC Action

