



CHRISTIAN EMPLOYERS ALLIANCE
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Extend the '45S' Employer Tax Credit to Help Hardworking Families

By Margaret Iuculano

This month alone, hundreds of thousands of Americans will experience some kind of major life transition that requires time away from work. For many ([roughly 300,000](#) per year if 2024 is any indicator), this transition will mean welcoming a new child into the world and taking on the beauty and challenge of parenting. For others, it will mean responding to a serious health incident affecting either themselves or a loved one. These moments are weighty, impacting almost every area of day-to-day life, including work.

For decades, our nation's small businesses, along with federal, state, and local governments, have offered a variety of family and medical leave policies designed to provide Americans with a sustained income during times of major transition. Such policies ensure families have the resources they need to prioritize their health or the health of a family member, knowing their jobs are secure.

But millions of American workers now stand to lose a powerful mechanism for financially supporting their loved ones through life-changing family and medical events. Unless Congress acts, this support to working families will expire in just seven months, at the end of this year.

Established by the Tax Cuts and Jobs Act of 2017, the Section 45S Employer Tax Credit provides employers who want to give their employees paid leave a means of doing so without threatening the viability of the business or risking future layoffs. It works in a simple way: Businesses continue to pay wages to their employees while they take time off to care for a new child or a sick loved one, and the federal government steps in to reduce employers' tax liability to offset some of the costs. It's the ultimate (and rare) win-win-win for all involved — helping families, supporting generous employers, and minimizing the impact on the taxpayer.



But the triple win currently created by 45S will make losers out of hardworking American families, their employers, and taxpayers, if Congress lets this tax credit expire on December 31, 2025.

That would devastate employees across America — and now business leaders are standing up for their workers.

Employers who want to provide generously for their employees are rallying Congress to the side of U.S. families, workers, and businesses. This month, a coalition led by the Christian Employers Alliance and C12 Business Forums — together representing more than 5,000 American employers — sent a joint letter to congressional leaders stressing the credit's important role in helping businesses support working families when they need it most.

The coalition letter urges Congress to take immediate action to extend the credit's authorization timeline past the fast-approaching December 31 expiration date.

These employers understand the importance of 45S in allowing their businesses to be on the front lines in providing for families in times of need. Does Congress? Time will tell, but time is short.

American businesses and families make up the backbone of our society, and they deserve our steadfast support. Employers across the country are doing their part and stand ready to continue this service. We should all call on Congress to do the same.

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