

June 13th, 2025

The Honorable John Thune
Majority Leader
United States Senate
Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Chairman
U.S. Senate Committee on Finance
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Majority Leader Thune and Chairman Crapo,

We the undersigned appreciate your longstanding commitment to policies that strengthen working families and our national economy. Today, we urge you to prioritize expanding child care tax credits – specifically the **Child and Dependent Care Tax Credit (CDCTC)** and the **Employer-Provided Child Care Credit (45F)** as championed by Senator Britt's *Child Care Affordability and Availability Act* – in the upcoming reconciliation bill.

Across the country, the lack of access to affordable, quality child care is having a significant impact on families, children, and employers, holding back our economy. Without affordable child care, parents face reduced productivity or are forced to leave the workforce altogether, creating recruitment and retention challenges for employers that impact their bottom line. Studies have found that the U.S. loses \$122 billion¹ annually in earnings, productivity, and revenue due to a lack of affordable child care. Current child care-related tax credits, however, offer limited support, and unless strengthened, will continue to fall short of helping families access care that meets their needs.

Employers of all sizes have been eager to be a partner in addressing the child care challenges facing their employees and the expansion of 45F directly supports them in helping to provide options for their employees. We applaud the House for advancing improvements to 45F, but those changes must be paired with strengthening the CDCTC to have a meaningful impact. Without CDCTC improvements, the bill misses a critical opportunity to deliver direct and immediate relief to hard working families for whom child care remains one of the most burdensome monthly costs.

The CDCTC is the only federal tax credit that directly helps parents offset the high cost of child care, while also allowing parents to choose the type of care that works best for their family whether it be faith-based, center-based, or in-home care. However, the CDCTC link has not been updated in over two decades. In this time the cost of care has increased to average over \$13,000² per year - with two thirds of all families with children

¹<https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>

² <https://www.childcareaware.org/price-landscape24/#PriceofCare>

under the age of five³ relying on some kind of care so they can go to work and provide for their family.

While the House package includes a \$500 increase to the Child Tax Credit (CTC), reports have shown that only 16%⁴ of families spent their CTC on child care, as the cost of everyday goods overwhelms the amount of the credit, long before families spend on child care.

We urge the Senate Finance Committee to seize this opportunity to make critical improvements to both the CDCTC and 45F and help ease the burden of child care, directly putting money back into the pockets of hard working families and helping employers ensure they have a dependable workforce. Incorporating elements of Senator Britt's *Child Care Affordability and Availability Act* into the final reconciliation package offers a common sense, cost-effective solution. This proposal would raise the CDCTC to an estimated \$1,750 for one child and \$2,800 for two children annually, delivering immediate and measurable relief to working families.⁵ It would also continue to strengthen 45F, incentivizing employers to be part of the solution all while doing so at a fraction of the cost of other proposals.

Thank you for your continued leadership on this critical issue. We hope the Committee will seize this opportunity to meaningfully support hard working parents and employers across the country.

Sincerely,

21st Century Child Development Center (TN)

4Kira4Moms

American Hotel and Lodging Association

Arizona Chamber of Commerce & Industry

Athens Area Chamber of Commerce (GA)

Blount County Chamber of Commerce (TN)

Care.com

Child Care Aware of America

Chisago County Child Care Coalition (MN)

Columbia Chamber of Commerce (MO)

Dayton Area Chamber of Commerce (OH)

³ <https://www.ffyf.org/wp-content/uploads/2024/07/2024-National-Fact-Sheet.pdf>

⁴ <https://www.cbpp.org/charts/families-with-low-incomes-spend-expanded-child-tax-credit-on-most-basic-needs-education>

⁵ <https://www.britt.senate.gov/wp-content/uploads/2025/02/Child-Care-Bill-1-pager4-1.pdf>

Dixon Chamber of Commerce & Main Street, Inc. (IL)
Early Care & Education Consortium
Eastern Shore Chamber Foundation (AL)
Erlanger Nurse Family Partnership (TN)
Executives Partnering to Invest in Children
Fargo Moorhead West Fargo Chamber of Commerce (ND)
First Five Years Fund
Florence Area Chamber of Commerce (OR)
Gingerbread Kids Academy (TX)
Greater Houston Partnership (TX)
Greater Phoenix Chamber of Commerce (AZ)
Greater San Antonio Chamber of Commerce (TX)
Greater Shreveport Chamber of Commerce (LA)
Greenville Chamber of Commerce (SC)
Groundwork Ohio (OH)
Halifax County Chamber of Commerce (VA)
Harrisburg Regional Chamber of Commerce (PA)
Hermantown Area Chamber of Commerce (MN)
Huntsville/Madison County Chamber of Commerce (AL)
Idaho Association of Commerce & Industry
Independent Restaurant Coalition
Institute for Child Success
Kalispell Chamber of Commerce (MT)
Kentucky Chamber of Commerce
KinderCare Learning Companies
Lake Havasu Area Chamber of Commerce (AZ)
Lakeland Chamber of Commerce (FL)
Learning Care Group
Mason City Chamber of Commerce (IA)
Metrocrest Chamber of Commerce (TX)
MomsFirst

Montana Chamber of Commerce
Nashville Area AEYC (TN)
National Child Care Association
National Early Childhood Program Accreditation
North Carolina Chamber of Commerce
Northern Kentucky Chamber of Commerce
Ohio Chamber of Commerce
Oregon State Chamber of Commerce
Park Manufacturing (MN)
Purpose Point Learning Academy (TN)
Rural Pathways LLC (MN)
Save the Children
Save the Children Action Network
Sioux Center Chamber of Commerce (IA)
Tennessee Justice Center
The Business Council of Alabama
The Urban Child Institute (TN)
TOOTRiS
Trailblazers Academy (KS)
Troy Area Chamber of Commerce (OH)
Upstate Chamber Coalition (SC)
U.S. Chamber of Commerce
Upwards
Utah Private Child Care Association