ROGER W. MARSHALL
KANSAS

COMMITTEES:
FINANCE
AGRICULTURE, NUTRITION, AND FORESTRY
HEALTH, EDUCATION, LABOR AND PENSIONS
BUDGET

United States Senate

July 21, 2026

The Honorable Scott Bessent
U.S. Department of the Treasury, Secretary
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Bessent:

In July 2025, Congress passed, and President Trump signed, the *Working Families Tax Cuts Act*, landmark legislation championed by Republicans to provide tax relief and financial support to working families, communities, and small businesses. I know that the Treasury Department and the Internal Revenue Service (IRS) have worked hard to implement the law in a way that maximizes the law's benefits, while upholding Congressional intent.

The legislation included important reforms to Section 45F of the Internal Revenue Code, the Employer-Provided Child Care Credit. Expanding access to affordable, high-quality child care remains a top priority for families, community leaders, and employers across Kansas and the nation. Reliable child care enables greater workforce participation, strengthens local economies, and provides children with safe, nurturing learning environments during their formative years. The changes to Section 45, including increasing the maximum allowable credit, expanding the percentage of qualified child care expenditures eligible for the credit, and permitting joint ownership and operation of qualified child care facilities, create significant new opportunities for employers to invest in child care solutions that benefit their employees and communities.
As a result, I understand that business and community leaders throughout Kansas are actively exploring collaborative approaches to expanding child care capacity. Many nonprofit organizations, particularly community foundations and United Way organizations, already serve as trusted fiscal partners by collecting, managing, and distributing contributions from businesses and community stakeholders to support local child care initiatives. These organizations and others like them are well positioned to act as intermediaries between businesses and providers.

As the Treasury Department continues developing guidance to implement the expanded Section 45F credit, I would emphasize the need for guidance that allows employers to take full advantage of the credit. In particular, I would encourage adoption of a definition of the term "intermediate entity"[1] that recognizes both these nonprofit organizations and similar community-based partnerships. Providing this flexibility would reflect the collaborative models already being used in communities and help ensure the expanded credit achieves Congress's intent of encouraging innovative employer-supported child care solutions.

Thank you for your leadership in implementing the Working Families Tax Cut Act and for your consideration of this request. I appreciate Treasury's continued work to provide timely guidance

[1] 26 U.S.C. § 45F(c)(1)(A)(iii).

and look forward to the positive impact these reforms will have on working families and employers across the United States.

Should you require additional information, please do not hesitate to contact my office.

Sincerely,

Roger W. Marshall

Roger Marshall, M.D.
United States Senator