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IRS Issues Guidance FAQs Regarding the Paid Family Leave Federal Tax Credit

Article By:

Meghan G. Holstein

This week, the Internal Revenue Service (IRS) issued [FAQ guidance](#) regarding the employer tax credit for paid family and medical leave. As a reminder, the Tax Cuts and Jobs Act of 2017 (the Act) provides a tax credit to employers that voluntarily offer paid family and/or medical leave to employees. The FAQs clarify some of the [requirements](#) in Section 45S of the Act that an employer's paid family and/or medical leave policy must include. The FAQs also clarify other details, such as the basis for the credit and the tax credit's impact on an employer's deduction for wages paid to an employee who is on a qualifying leave.

For information on how to determine if your company can take advantage of the paid family and medical leave tax credit, read our earlier [article](#) on this topic.

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