

ESTIMATE - PENDING CPA CONFIRMATION

IRS Form 8882

Credit for Employer-Provided Childcare Facilities and Services (IRC §45F)

Tax Year: 2025

Filing entity: Sample Bistro Group LLC (SAMPLE DATA)

EIN: 99-0001234

Generated: Feb 10, 2026

Figures below are mapped to the official line numbers. Blank lines are completed by you or your CPA.

FILING SUMMARY

Employer-Provided Child Care Credit (IRC §45F)

\$10,400

How to file: enter on Form 8882 line 5 -> Form 3800, Part III, line 1k

Section 280C addback: \$10,400 reduction to the facility basis / deductible child-care expenses (no double benefit)

ESTIMATE ONLY - NOT TAX ADVICE. P.A.I.D. is a software calculation tool, not a CPA, tax preparer, or law firm, and does not prepare, sign, or file returns. Figures are automated estimates from the data you provided and must be independently reviewed, verified, and filed by your own licensed tax professional. No accountant-client relationship is created. No credit is guaranteed.

Eligibility - Statutory Gates

Each controlling bright-line test, with the authority cited. All must hold.

1. Qualified child care facility expenditures

From records

Amounts to acquire, build, rehabilitate, expand, or operate a qualified child care facility, or paid under a contract with a qualified facility/intermediary.

Authority: IRC §45F(c)(1)

2. Qualified resource & referral expenditures

From records

Amounts paid under a contract to provide child care resource and referral services to employees.

Authority: IRC §45F(c)(2)

3. Enhanced 2026 rates

Applied

40% of facility expenditures (50% for an eligible small business) plus 25% of resource-and-referral expenditures.

Authority: IRC §45F(a) (as amended by P.L. 119-21)

4. Annual cap

Applied

Total credit capped at \$500,000 (\$600,000 for an eligible small business), inflation-indexed after 2026.

Authority: IRC §45F(b)

Source Data & Traceability

Data provenance: Computed from the payroll register the taxpayer uploaded (ADP Excel/CSV) or the figures they entered. Figures are machine-generated with no manual overrides; P.A.I.D. has not audited or independently confirmed the underlying data.

1	Qualified child care facility expenditures	\$40,000
2	Multiply line 1 by 25% (standard rate)	\$10,000
3	Qualified child care resource and referral expenditures	\$4,000
4	Multiply line 3 by 25% (0.25)	\$400
5	Add lines 2 and 4 (credit, capped at \$150,000) - report on Form 3800, Part III, line 1k	\$10,400

Estimate generated free of charge. The success fee applies only after your CPA files and you mark the credit as filed/received.

Blank lines (and any worksheet-only lines) are completed by you or your CPA on the official IRS form. P.A.I.D. computes the lines it can from your payroll/financial data.

Pre-2026 §45F: 25% facility rate, 10% resource/referral, \$150,000 cap.

Limitations & Interactions

- 10-year recapture: if the facility stops operating as a qualified child care facility or changes ownership within 10 years, part of the credit is recaptured.
- Eligible-small-business status (§448(c) gross-receipts test, ~\$31M for 2026) drives the 50% rate and \$600,000 cap.
- Section 280C / basis reduction: no double benefit - the facility's basis or the deduction is reduced by the credit.
- General Business Credit limitation: this credit is a component of the GBC (IRC §38) and is limited by tax liability; unused amounts generally carry back 1 year and forward 20 (IRC §39). Pass-through entities flow the credit to owners via Schedule K-1.

Assumptions - Confirm Before Filing

Each figure rests on the assumptions below. If any is false, the credit changes - confirm each before filing.

- The expenditures entered are qualified child care facility or resource-and-referral costs under §45F(c).
- Eligible-small-business status was determined from the prior-year gross-receipts figure entered.
- The facility is (or will be) operated as a qualified child care facility for the recapture period.

Responsibility Delineation

P.A.I.D. (software)

Computed the credit and assembled this packet from the payroll register the taxpayer uploaded (or the figures they entered). P.A.I.D. does not issue a tax opinion, attest to eligibility, or sign the return.

The taxpayer

Attests to the accuracy and completeness of the underlying facts - hours, wages, reported tips, premiums, plan, expenditure, and entity information.

The reviewing CPA of record

Independently reviews this packet, applies professional judgment, and is solely responsible for the decision to claim the credit and for signing the return.

Reliance by tax professionals: This packet is a software-generated estimate prepared from client-supplied data and is not a tax opinion. It is not intended to be relied upon by any tax professional as a substitute for that professional's own due diligence under Treasury Department Circular 230, including §10.22 (diligence as to accuracy) and §10.37 (requirements for written advice). The reviewing tax professional remains solely responsible for verifying all eligibility conditions, figures, and computations against source records and applicable law before preparing, signing, or filing any return.

Verify Before Filing

Open items P.A.I.D. cannot confirm from the data. Verify each against source records before filing.

- [] Each expenditure is a qualified §45F cost (facility acquisition/operation or a qualifying contract).
- [] The eligible-small-business determination against the §448(c) gross-receipts test.
- [] The 10-year recapture exposure and the basis/deduction reduction for no double benefit.

Workpaper Appendix

- Appendix A - Child care facility / contract invoices & agreements (attach)
- Appendix B - Resource-and-referral service contracts (attach)
- Appendix C - Prior-year gross-receipts evidence for the small-business rate (attach)
- Appendix D - Draft Form 8882 (the line mapping in this packet)
- Appendix E - Authority excerpts: IRC §45F, §448(c), Form 8882 instructions

Record-Retention Guide

- Keep the records that substantiate this credit for as long as they are material - in practice, at least 3 years after the return is filed (4 years for employment-tax records). IRC §6001; Treas. Reg. 1.6001-1.
- Retain the source payroll register / financial export this estimate was built from, plus the filed return and the supporting IRS forms in this packet.
- Keep the facility invoices and operating agreements, the resource-and-referral contracts, and the gross-receipts records supporting

the small-business rate.

Important Notices

1. No professional relationship. P.A.I.D. is software. Receiving this packet does not create an accountant-client, attorney-client, or other professional or fiduciary relationship.
2. Estimates, not advice. Every figure is an automated estimate generated from data you supplied. It is informational only and is not tax, legal, accounting, or financial advice.
3. Your responsibility for accuracy. You are solely responsible for the accuracy and completeness of the data provided and for maintaining the records required to substantiate any credit claimed.
4. Independent CPA verification required. This packet is intended to be reviewed by your own licensed tax professional, who must independently verify every eligibility condition, figure, and computation against source records before any return is prepared, signed, or filed. P.A.I.D. does not prepare, sign, or file returns.
5. No guarantee of credit. Eligibility for and the amount of any credit depend on facts, law, and IRS or state determinations outside P.A.I.D.'s control. No estimated amount is guaranteed to be allowed or realized.
6. Data handling & privacy. This packet contains no employee names or Social Security numbers; individuals are referenced by anonymized labels. Treat it as confidential tax information; transmit it securely (e.g. encrypted download), not as an open email attachment.

Eligibility Attestation

- §45F: the child-care facility / resource-and-referral expenditures are qualified.

Attested by owner@samplebistro.example on 2026-02-10 from IP 203.0.113.42.