

## ESTIMATE - PENDING CPA CONFIRMATION

## IRS Form 8941

Credit for Small Employer Health Insurance Premiums (IRC §45R)

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

## Small-Employer Health Care Credit (IRC §45R)

\$18,000

How to file: enter on Form 8941 line 16 -&gt; Form 3800, Part III, line 4h

Section 280C addback: \$18,000 reduction to the deductible health-insurance premiums (§280C(h))

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. Fewer than 25 FTEs

From payroll (see line 2)

Full-time-equivalent count for the tax year is under 25 (credit fully phases out at 25).

Authority: IRC §45R(d)(1)(A)

## 2. Average annual wages under the cap

From payroll (see line 3)

Average annual FTE wages are below the indexed limit (credit phases out as wages rise).

Authority: IRC §45R(d)(3)

3. Employer pays  $\geq$  50% of premiums

Per attestation

Employer pays at least half the premium cost under a qualifying arrangement, uniform across employees.

Authority: IRC §45R(d)(4); §45R(g)

## 4. SHOP Marketplace coverage

Per attestation

Coverage purchased through a SHOP Marketplace (or an applicable exception applies).

Authority: IRC §45R(b)

## 5. Two-year credit period

CPA confirms prior years

The credit is available for only 2 consecutive taxable years beginning with the first SHOP year.

Authority: IRC §45R(e)(2)

## Source Data &amp; 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 | Number of individuals employed who are considered employees for this credit              |          |
| 2 | Number of full-time equivalent employees (FTEs) for the tax year                         | 8        |
| 3 | Average annual wages paid for the tax year (rounded to a multiple of \$1,000)            | \$31,000 |
| 4 | Premiums paid for employee health coverage under a qualifying arrangement                | \$36,000 |
| 5 | Premiums limited to the small-group-market average premium (CPA enters from Worksheet 4) |          |

|    |                                                                              |                 |
|----|------------------------------------------------------------------------------|-----------------|
| 6  | Enter the smaller of line 4 or line 5                                        |                 |
| 7  | Multiply line 6 by 50% (35% tax-exempt) - estimated base credit              | \$18,000        |
| 8  | Amount after the FTE phaseout (Worksheet 5, if more than 10 FTEs)            |                 |
| 9  | Amount after the average-wage phaseout (Worksheet 6, if wages over \$33,000) |                 |
| 10 | State premium subsidies and state tax credits for premiums on line 4         |                 |
| 11 | Subtract line 10 from line 4 (if zero or less, -0-)                          |                 |
| 12 | Smaller of line 9 or line 11 - estimated \$45R credit                        | \$18,000        |
| 15 | Credit from partnerships, S corporations, cooperatives, estates, and trusts  |                 |
| 16 | <b>Add lines 12 and 15 - report on Form 3800, Part III, line 4h</b>          | <b>\$18,000</b> |

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.

Estimated phaseouts applied: FTE 0.0%, average-wage 0.0%.

## Limitations & Interactions

- Two phaseouts apply and compound: one for FTEs over 10 and one for average wages over the indexed base - both are estimated here and finalized on Worksheets 4-7.
- Two-consecutive-year limit: no \$45R credit after the second SHOP credit year.
- Section 280C(h): the deduction for premiums is reduced by the credit claimed - no double benefit.
- Tax-exempt employers use the 35% rate (vs. 50%) and claim via Form 990-T.
- 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.

- Coverage was purchased through a SHOP Marketplace (or a qualifying exception applies) - P.A.I.D. cannot confirm SHOP status from payroll.
- The employer pays a uniform percentage of at least 50% of each enrolled employee's premium.
- FTEs are computed as total hours worked / 2,080, rounded down; seasonal-worker and owner/family exclusions have not been applied.
- This is within the two-consecutive-year credit window (the credit is unavailable after the second SHOP year).

## 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.

- [ ] SHOP-purchased (or exception) coverage - obtain the SHOP enrollment / qualifying-arrangement proof.
- [ ] The uniform  $\geq 50\%$  employer-contribution test, from premium statements.
- [ ] The FTE count and average-annual-wage figure on Worksheets 1-7 of the Form 8941 instructions.
- [ ] Which prior years (if any) already used the two-year credit period.

## Workpaper Appendix

---

- Appendix A - FTE & average-wage worksheet (in this packet)
- Appendix B - Premium statements / SHOP documentation (attach)
- Appendix C - Payroll hours & wages tie-out (attach)
- Appendix D - Draft Form 8941 (the line mapping in this packet)
- Appendix E - Authority excerpts: IRC §45R, §280C(h), Form 8941 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 SHOP enrollment documentation, premium statements showing employer-vs-employee split, and the hours/wages records behind the FTE computation.

## 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

- §45R: all controlled-group / related entities have been entered.

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