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childcare services to their employees.

Jason Bramwell • Feb. 07, 2024



The IRS on Wednesday announced the launch of a new webpage that gives information on the Employer-Provided Childcare Tax Credit, an incentive for businesses to provide childcare services to their employees.

“This business tax credit helps employers provide their employees with child-care services and facilities,” IRS Commissioner Danny Werfel said in a statement. “We’ve heard that some employers may be overlooking this important credit, so the IRS has

created a new one-stop shop for information on IRS.gov that provides an easy place

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in which it is located.

The credit is limited to \$150,000 per year to offset 25% of qualified childcare facility expenditures and 10% of qualified childcare resource and referral expenditures.

Employers should complete [Form 8882](#), *Credit for Employer-Provided Child Care Facilities and Services*, to claim the credit for qualified childcare facility and resource and referral expenditures. The credit is part of the general business credit subject to the carryback and carryforward rule. This means employers may carryback unused credit one year and then carryforward 20 years after the year of the credit. Taxpayers whose only source for the credit is from pass-through entities can report the credit directly on [Form 3800](#), *General Business Credit*.

The [Employer-Provided Childcare Tax Credit](#) homepage on IRS.gov has more information about claiming the credit, including the requirements for qualified childcare expenditures and qualified childcare facilities.

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