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If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include "NTF" followed by the form or publication number (for example, "NTF1040", "NTFW4", "NTF501", etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each "NTF" message.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more information, click [here](#).

Instructions for Form 8882



(Rev. December 2026)

Employer-Provided Childcare Credit

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8882 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8882](https://www.irs.gov/Form8882).

What's New

Credit amount. P.L. 119-21, commonly known as the One Big Beautiful Bill Act, increased the employer-provided childcare credit dollar limit from \$150,000 to \$500,000 (\$600,000 for an eligible small business).

Percentage increase. P.L. 119-21 increased the percentage of allowed qualified childcare expenditures from 25% to 40% (50% for an eligible small business).

General Instructions

Purpose of Form

Employers use Form 8882 to claim the employer-provided childcare credit. The credit is part of the general business credit. You may claim the credit any time within 3 years from the due date of your return on either an original or amended return.

Taxpayers, other than partnerships, S corporations, estates, or trusts, whose only source of this credit is from those pass-through entities, aren't required to complete or file this form. Instead, they can report this credit directly on Form 3800.

Definitions

Eligible small business. An eligible small business is a business that over a 5-year period meets the gross receipts test of section 448(c). See section 45F(c)(4).

Qualified childcare expenditures. Qualified childcare expenditures are amounts paid or incurred:

- To acquire, construct, rehabilitate, or expand property that:
 1. Is to be used as part of a qualified childcare facility of the taxpayer,
 2. Is depreciable (or amortizable) property, and
 3. Is not part of the principal residence of the taxpayer or any employee of the taxpayer;
- For the operating expenses of a qualified childcare facility of the taxpayer, including expenses for training of employees, scholarship programs, and providing increased compensation to employees with higher levels of childcare training;

- Under a contract with a qualified childcare facility to provide childcare services to employees of the taxpayer; or
- Under a contract with an intermediate entity that contracts with one or more qualified childcare facilities to provide such childcare services.

Note: Any expenses for childcare included in qualified childcare facility expenditures may not exceed the fair market value of such care.

Qualified childcare facility. A qualified childcare facility is a facility that meets the requirements of all applicable laws and regulations of the state or local government in which it is located, including the licensing of the facility as a childcare facility. The following conditions must also be met.

- The principal use of the facility must be to provide childcare (unless the facility is also the personal residence of the person operating the facility).
- Enrollment in the facility must be open to employees of the taxpayer during the tax year.
- If the facility is the principal trade or business of the taxpayer, at least 30% of the enrollees of the facility must be dependents of employees of the taxpayer.
- The use of the facility (or the eligibility to use the facility) must not discriminate in favor of highly compensated employees.

Note: A jointly owned or operated facility qualifies as a qualified childcare facility.

Qualified childcare resource and referral expenditures. Qualified childcare resource and referral expenditures are amounts paid or incurred under a contract to provide childcare resource and referral services to employees of the taxpayer. The provision of the services (or the eligibility to use the services) must not discriminate in favor of highly compensated employees.

How To Figure the Credit

The credit is 40% (50% for an eligible small business) of the qualified childcare expenditures plus 10% of the qualified childcare resource and referral expenditures paid or incurred during the tax year. The credit is limited to \$500,000 (\$600,000 for an eligible small business) per tax year.

No Double Benefit Allowed

You must reduce:

- The basis of any qualified childcare facility by the amount of the credit on line 8 allocable to capital expenditures related to the facility,
- Any otherwise allowable deductions used to figure the credit by the amount of the credit on line 8 allocable to those deductions, and

- Any expenditures used to figure any other credit by the amount of the credit on line 8 allocable to those expenditures (for purposes of figuring the other credit).

Note: For credits entered on line 6, only the pass-through entity is required to make this reduction.

Recapture of Credit

You may have to recapture part or all of the credit if, before the 10th tax year after the tax year in which your qualified childcare facility is placed in service, the facility ceases to operate as a qualified childcare facility or there is a change in ownership of the facility. However, a change in ownership will not require recapture if the person acquiring the interest in the facility agrees, in writing, to assume the recapture liability. See section 45F(d) for details.

Any recapture tax is reported on the line of your tax return where other recapture taxes are reported (or, if no such line, on the total tax line). The recapture tax may not be used in figuring the amount of any credit or in figuring the alternative minimum tax.

Member of Controlled Group or Business Under Common Control

For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 52(a)) and all members of a group of businesses under common control (as defined in section 52(b)) are treated as a single taxpayer. As a member, figure your credit for lines 3 and 5 as follows.

- Figure your credit for line 3 based on your proportionate share of qualified childcare expenditures giving rise to the group's credit for line 3. Enter your share of the credit on line 3. Attach a statement showing how your share of the credit was figured, and write "See Attached" next to the entry space for line 3.
- Figure your credit for line 5 based on your proportionate share of qualified resource and referral expenditures giving rise to the group's credit for line 5. Enter your share of the credit on line 5. Attach a statement showing how your share of the credit was figured, and write "See Attached" next to the entry space for line 5.

Specific Instructions

Line 9

Estates and trusts. Allocate the employer-provided childcare credit on line 8 between the estate or trust and

the beneficiaries in the same proportion as income was allocated, and enter the beneficiaries' share on line 9.

If the estate or trust is subject to the passive activity rules, include on line 6 any employer-provided childcare credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8582-CR, Passive Activity Credit Limitations, to determine the allowed credit that must be allocated between the estate or trust and the beneficiaries. For details, see the Instructions for Form 8582-CR.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping	2 hr., 37 min.
Learning about the law or the form	30 min.
Preparing and sending the form to the IRS	34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.