

## April 2009 – Current Summary

A current bill, the Adoption Tax Relief Guarantee Act 2009, is now in [House Committee](#). This bill's aim is to make permanent the expansion of the 1997 Adoption Credit originally introduced by Bill Clinton. For the tax year 2009, adoptive parents may take advantage of up to [\\$12,150 in tax credits](#) to offset qualifying adoption expenses. The current Adoption Credit expansion will sunset in December 2010. Unless this sunset is opposed by House and Senate Committees and an extension is made law, this current tax credit will revert to its original \$5,000 credit cap (\$6,000 for special needs adoption).

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## Adoption Tax Relief Guarantee Act of 2009, in Process

**Bill Author, Congressman Joe Wilson's Press Release**  
*January 7, 2009*

WASHINGTON – Congressman Joe Wilson (SC-02) issued the following statement today after introducing legislation to make permanent the current \$10,000\* tax credit for adoptive families.

“Many families are eager to adopt a child, but the costs associated with the process can be a major deterrent. By providing tax relief to adoptive families, we can encourage parents to consider adoption and help find homes for the thousands of foster children in the United States. Making adoption more affordable is just one way we can help American families already facing rising health care and education costs.”

### **Background on Legislation:**

Adoption Tax Relief Guarantee Act 2009 (H.R. 213)

- Makes permanent the \$10,000\* tax credit signed into law in 2001.
- Currently, the tax credit will return to its original level of \$5,000 in 2010.
- According to a 2005 adoption cost survey by Adoptive Families, the average cost of adoption was between \$20,000 and \$25,000.

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**Library of Congress's Public Update on the Adoption Tax Relief Guarantee Act,**  
*April 30, 2009*

### **H.R.213**

**Title:** To repeal the sunset of the Economic Growth and Tax Relief Reconciliation Act of

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2001 with respect to the expansion of the adoption credit and adoption assistance programs.

**Sponsor:** [Rep Wilson, Joe](#) [SC-2] (introduced 1/6/2009) [Cosponsors](#) (79)\*\*

**Latest Major Action:** 1/6/2009 Referred to House committee. Status: Referred to the House Committee on Ways and Means.

## **\*\*Current Resources on Adoption Tax Relief Guarantee Act 2009**

Library of Congress – Thomas

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HR00213:@@L&summ2=m&>

National Right to Life Summary

<http://capwiz.com/nrlc/issues/bills/?bill=12425431&size=full>

Gov.Track US

<http://www.govtrack.us/congress/bill.xpd?bill=h111-213>

### **Other Resources:**

Current Tax Credit Information

<http://www.irs.gov/taxtopics/tc607.html>

*Adoptive Families* alert release (contains some incorrect links and informational errors)

<http://www.adoptivefamilies.com/articles.php?aid=1113>

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## **Adoption Tax Relief Guarantee Act of 2005, Failed**

In January 2005, sponsor Joe Wilson issued a bill with the same intentions as the Adoption Tax Relief Guarantee Act of 2009 – to make permanent the expansion of the federal Adoption Tax Credit as introduced in the Economic Growth and Tax Relief Reconciliation Act of 2001. The bill had strong support in the House, gaining 74 representative co-sponsors, but later stalled in the Senate, failing with only 22 senatorial co-sponsors. This bill was known as the Adoption Tax Relief Guarantee Act of 2005.

### **Resources:**

<http://thomas.loc.gov/cgi-bin/bdquery/z?d109:HR00305:@@P>

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## **The Hope for Children Act Expands the Original Adoption Credit**

*2002, under George Bush*

The Hope for Children Act (H.R. 622) is legislation which increases the adoption tax credit to \$10,000\* for all adoptions and increases the employer adoption assistance exclusion to \$10,000\*. The Hope for Children Act took effect on January 1, 2002 and

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was signed into law by President George W. Bush on June 7, 2001 as section 202 of the Economic Growth and Tax Relief Reconciliation Act. This law sunsets in December 2010 and will not be in effect for the tax year beginning January 1, 2011, unless repealed by current legislation.

Congresswoman Carolyn B. Maloney took the floor in support of The Hope for Children Act. See her press release regarding this legislature, [here](#).

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## Origination of the Federal Adoption Tax Credit

*1997 under Bill Clinton*

On August 20, 1996, President Bill Clinton signed The Small Business Job Protection Act of 1996. Included in this law are two provisions which relate to adoption.

### 1) Adoption Tax Assistance

Section 1807, entitled "Adoption Assistance," allows for a \$5,000 tax credit (\$6,000 in the case of a child with special needs) for qualified adoption expenses paid or incurred by the taxpayer. The section provides additional information on the allowance of credit, limitations, carrying forward unused credit, definitions for "qualified adoption expenses" and "eligible child", special rules for foreign adoptions, filing requirements and application to an employer's adoption assistance programs. This law took effect **tax years beginning on and after January 1, 1997** and has no sunset clause.

### 2) The Removal of Barriers to Interethnic Adoption... (cont.)

**Source:** FindLaw for Legal Professionals

<http://library.findlaw.com/1996/Nov/14/128232.html>

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\* The Hope for Children Act's tax credit has grown to \$12,150 in 2009 for inflation adjustment, as stated in [Sec.201.d.2](#)

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