

HCS HB 430 -- ADOPTION TAX CREDITS

SPONSOR: Kelly (141)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Children and Families by a vote of 9 to 1. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 430.

This bill renames and alters the current "Special Needs Adoption Tax Credit Act" to the "Adoption Tax Credit Act".

Currently, any person residing in this state who proceeds in good faith with the adoption of a special needs child who is a resident or ward of a resident of this state is eligible for a \$10,000 nonrefundable tax credit for nonrecurring adoption expenses for each child. Additionally, any business entity providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child is eligible to receive a tax credit of up to \$10,000 for nonrecurring adoption expenses for each child, except that only one \$10,000 credit is available for each special needs child that is adopted.

Beginning January 1, 2022, this bill removes the special needs and residency requirements for adoptions to be eligible for the tax credit. However, priority will be given to applications to claim the tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated. The House Committee Substitute changes the bill's definition of "handicap" to "disability" and modifies the definition of "special needs child".

This bill is similar to HB 2171 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that due to the large number of children in foster care that incentives such as those offered in the bill will be an effective way to encourage adoption in the state. This bill will be an efficient way to ease the burden that families face when adopting, and that priority will still be given to "special needs children" but the bill will open up the credit to additional adoptions so that the allocated money may be more readily accessible.

Testifying for the bill were Representative Kelly; Missouri Coalition Of Children's Agencies; Office Of Child Advocate; Foster & Adoptive Care Coalition; Family Forward; and Fosteradopt Connect.

OPPONENTS: There was no opposition voiced to the committee.

INFORMATIONAL: Others testifying on the bill say that this bill will not allow for credits or deductions at the federal level or in other states to be used on top of the credit outlined in the bill, and that this credit is available to all people that would file a tax return in Missouri.

Testifying on the bill was Campaign Life Missouri.