

HCS HB 430 -- ADOPTION TAX CREDITS (Kelly (141))

COMMITTEE OF ORIGIN: Standing Committee on Children and Families

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. 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". The perfected bill defines a "child" as any individual under 18 years old or over 18 but is physically or mentally incapable of caring for themselves.

This bill is similar to HB 2171 (2020).