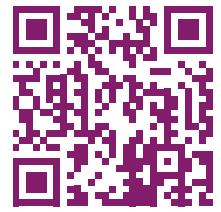


ADOPTION TAX CREDIT

Taxpayers who adopted or started the adoption process during the year may qualify for the adoption credit. This credit can be applied to international, domestic, private, and public foster care adoptions.



BASIC INFORMATION/TAX BENEFIT:

- The tax credit is for qualified expenses paid to adopt a child.
- Employer-provided adoption assistance can be excluded from income.
- This is a non-refundable credit. This means the credit is limited to the amount of tax you owe for the year. Any unused credit can be carried forward for up to five years.
- Maximum adoption credit is \$15,950 per adopted child. There are income limits that could affect the amount of the credit.
- Adopted child must be under age 18 or is physically or mentally incapable of self-care.



HOW TO CLAIM THE CREDIT:

Complete Form 8839, Qualified Adoption Expenses, to figure how much credit you can claim on your tax return.

QUALIFIED EXPENSES INCLUDE:

- Reasonable and necessary adoption fees.
- Court costs and legal fees.
- Adoption related travel expenses like meals and lodging.
- Other expenses directly related to the legal adoption of a qualified child.

Expenses may qualify even if you pay them before an adoptive child is identified. For example, some future adoptive parents pay for a home study at the beginning of the adoption process. You can claim the fees as qualified adoption expenses.

You can't claim this credit for the adoption of your spouse's child.

You can claim qualified adoption expenses paid if you are a registered domestic partner who lives in a state that allows a second parent or co-parent to adopt their partner's child, if the expenses qualify for the credit.