

1 HB487
2 215952-4
3 By Representatives Shaver, Wood (D), Pettus, Rich, Oliver,
4 Lipscomb, Hurst, Bedsole, Sorrell, Ball, Kitchens, Treadaway,
5 Farley, Standridge, Ledbetter, Clouse, Blackshear, Allen,
6 Carns, Drake, Isbell, Simpson and Lovvorn
7 RFD: Ways and Means Education
8 First Read: 10-MAR-22

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ENROLLED, An Act,

Relating to taxation; to amend Sections 40-18-360 and 40-18-361, Code of Alabama 1975, to expand the income tax credit available to individuals who adopt a child.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-18-360 and 40-18-361 of the Code of Alabama 1975, are amended to read as follows:

"§40-18-360.

"As used in this article, the following terms shall have the following meanings:

"(1) COMMISSIONER. The Commissioner of Revenue of the State of Alabama.

"(2) OUT-OF-STATE ADOPTION. An adoption through an out-of-state or foreign agency or government, through private individuals who are not residents of Alabama, or where the adoptee is otherwise not a resident of Alabama or citizen of the United States, in which the adoptive parent or parents reside in Alabama.

"~~(2)~~ (3) PRIVATE ADOPTION. An adoption through a private agency, or through private individuals without an agency, in which the adoptive parent(s) parent or parents reside in Alabama.

"~~(3)~~ (4) QUALIFIED FOSTER CHILD. Any individual who either:

1 " ~~a. is~~ Is in the permanent legal custody of the
2 Alabama Department of Human Resources, ~~and/or.~~

3 " ~~b. is~~ Is placed in a licensed or approved foster
4 home by the Alabama Department of Human Resources for the
5 purpose of adoption pursuant to an approved case plan.

6 "§40-18-361.

7 (a) A taxpayer shall be allowed a one time,
8 refundable credit against the tax imposed by Section 40-18-2,
9 for a private adoption or the adoption of a qualified foster
10 child until December 31, 2022. The amount of such credit shall
11 be one thousand dollars (\$1,000) per child adopted through a
12 private adoption or qualified foster child to be claimed in
13 the year in which the adoption becomes final.

14 ~~"(b) Beginning with tax year 2023, a taxpayer shall~~
15 (b) For tax years beginning on and after January 1, 2023, and
16 ending December 31, 2027, a taxpayer shall be allowed a
17 onetime, refundable credit against the tax imposed by Section
18 40-18-2, for a private adoption, an out-of-state adoption, or
19 the adoption of a qualified foster child. The credit may be
20 claimed in the year in which the adoption becomes final.

21 (1) The amount of the credit shall be two thousand
22 dollars (\$2,000) per child adopted through a private adoption
23 or per the adoption of a qualified foster child, provided that
24 the adopted child is a resident of Alabama.

1 (2) If the child is adopted through an out-of-state
2 adoption or is not otherwise a resident of Alabama, the amount
3 of the credit shall be one thousand dollars (\$1,000) per
4 child.

5 "(c) A taxpayer who adopts the child of his or her
6 spouse is not eligible for a tax credit under this section."

7 (d) For tax years beginning on and after January 1,
8 2028, a taxpayer shall be allowed a one time, refundable
9 credit against the tax imposed by Section 40-18-2, for a
10 private adoption or the adoption of a qualified foster child.
11 The amount of such credit shall be one thousand dollars
12 (\$1,000) per child adopted through a private adoption or
13 qualified foster child to be claimed in the year in which the
14 adoption becomes final.

15 Section 2. This act shall become effective on the
16 first day of the third month following its passage and
17 approval by the Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 31-MAR-22.

Jeff Woodard
Clerk

Senate	07-APR-22	Amended and Passed
House	07-APR-22	Concurred in Senate Amendment