

1 HB487
2 215952-3
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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8 SYNOPSIS: Existing law allows taxpayers to claim a
9 onetime income tax credit of \$1,000 for certain
10 adoptions.

11 This bill would increase this tax credit to
12 \$2,000, if the adopted child is a resident of
13 Alabama.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT

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

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

25 "§40-18-360.

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

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

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

9 "~~(2)~~ (3) PRIVATE ADOPTION. An adoption through a
10 private agency, or through private individuals without an
11 agency, in which the adoptive ~~parent(s)~~ parent or parents
12 reside in Alabama.

13 "~~(3)~~ (4) QUALIFIED FOSTER CHILD. Any individual who
14 either:

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

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

20 "§40-18-361.

21 (a) A taxpayer shall be allowed a one time,
22 refundable credit against the tax imposed by Section 40-18-2,
23 for a private adoption or the adoption of a qualified foster
24 child. The amount of such credit shall be one thousand dollars
25 (\$1,000) per child adopted through a private adoption or
26 qualified foster child to be claimed in the year in which the
27 adoption becomes final.

1 "(b) Beginning with tax year 2023, a taxpayer shall
2 be allowed a onetime, refundable credit against the tax
3 imposed by Section 40-18-2, for a private adoption, an
4 out-of-state adoption, or the adoption of a qualified foster
5 child. The credit may be claimed in the year in which the
6 adoption becomes final.

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

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

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

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