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TAX CREDIT: ADOPTION EXPENSES

House Bill 4852

Sponsor: Rep. Gary Woronchak

Committee: Tax Policy

Complete to 10-14-99

A SUMMARY OF HOUSE BILL 4852 AS INTRODUCED 9-23-99

The bill would amend the Income Tax Act to permit a taxpayer to claim a credit for adoption expenses. If the credit exceeded tax liability, it would not be refunded but could be carried forward for five years to offset tax liability. House Bill 4852 is tie-barred to House Bill 4812, which contains nearly identical provisions and which provides a limit on the credit of \$1,200.

The credit would apply for the 1999 tax year and tax years thereafter, and would be available to a person who had claimed the adoption expenses credit under Section 23 of the federal Internal Revenue Code for the same tax year. The term “qualified adoption expenses” would refer to the expenses used to claim the federal credit. (Note: The federal law applies to reasonable and necessary adoption fees, court costs, attorney fees, and other expenses directly related to, and whose principal purpose is for, the legal adoption of an eligible child.)

MCL 206.267

House Bill 4852 (10-14-99)

Analyst: C. Couch

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