

SENATE BILL No. 572

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-13.5; IC 31-19-2-7.

Synopsis: Adoption tax credits and reporting. Provides an adjusted gross income tax credit for an individual who adopts an adult disabled child of the individual's spouse. Provides that the tax credit is equal to the lesser of: (1) the total amount of the individual's qualified adoption expenses that would have been computed as an allowable credit on the individual's federal return had the individual been entitled to claim the credit provided by Section 23 of the Internal Revenue Code for an adoption of an adult disabled child of the individual's spouse multiplied by 10%; or (2) \$1,000; for each adult disabled child. Provides that a petition for adoption of an adult is not required to include a report regarding the health status and medical history of the adoptee.

Effective: July 1, 2019; January 1, 2020.

Koch

January 14, 2019, read first time and referred to Committee on Appropriations.



First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 572

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-13.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020]: **Sec. 13.5. (a) This section applies to a taxpayer
4 only if the taxpayer is not otherwise eligible to claim the credit
5 provided by Section 23 of the Internal Revenue Code on the
6 taxpayer's federal return for the qualified adoption expenses for
7 which the taxpayer is eligible to claim a credit under this section.**
8 **(b) As used in this section, "adult disabled child" means an
9 individual who:**
10 **(1) is at least eighteen (18) years of age; and**
11 **(2) is physically or mentally incapable of caring for himself or
12 herself.**
13 **(c) As used in this section, "qualified adoption expenses" means**
14 **the reasonable and necessary adoption fees, court costs, attorney**
15 **fees, and other expenses:**
16 **(1) which are directly related to, and the principal purpose of**
17 **which is for, the legal adoption by the taxpayer of an adult**



- 1 disabled child of the taxpayer's spouse;
 2 (2) which are not incurred in violation of state or federal law;
 3 and
 4 (3) which are not reimbursed under an employer program or
 5 otherwise.

6 (d) Each taxable year, an individual who adopts an adult
 7 disabled child of the individual's spouse is entitled to a credit
 8 against the individual's adjusted gross income tax liability for the
 9 taxable year equal to the lesser of:

10 (1) the total amount of the individual's qualified adoption
 11 expenses for each adult disabled child that would have been
 12 computed as an allowable credit on the individual's federal
 13 return for the taxable year had the individual been entitled to
 14 claim the credit provided by Section 23 of the Internal
 15 Revenue Code for the qualified adoption expenses multiplied
 16 by ten percent (10%); or

17 (2) one thousand dollars (\$1,000) for each adult disabled child.

18 (e) The credit provided by this section may not exceed the
 19 amount of the taxpayer's adjusted gross income tax liability for the
 20 taxable year, reduced by the sum of all credits for the taxable year
 21 that are applied before the application of the credit provided by
 22 this section. The amount of any unused credit under this section for
 23 a taxable year may not be carried forward to a succeeding taxable
 24 year, carried back to a preceding taxable year, or refunded.

25 (f) If all or part of the credit that would have been computed on
 26 the individual's federal return under Section 23 of the Internal
 27 Revenue Code for a taxable year is required to be claimed in, or
 28 carried forward to, a taxable year after the taxable year in which
 29 the credit would first be allowed on the individual's federal return,
 30 the part that would be carried forward and computed as a credit
 31 on the individual's federal return shall be treated as allowable
 32 under subsection (d).

33 SECTION 2. IC 31-19-2-7 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) **Except as**
 35 **provided in subsection (e)**, a medical report of the health status and
 36 medical history of the child sought to be adopted and the child's birth
 37 parents must:

- 38 (1) accompany a petition for adoption; or
 39 (2) be filed not later than sixty (60) days after the filing of a
 40 petition for adoption.

41 (b) The medical report must:

- 42 (1) include neonatal, psychological, physiological, and medical



1 care history; and
2 (2) be on forms prescribed by the state registrar.
3 (c) A copy of the medical report shall be sent to the following
4 persons:
5 (1) The state registrar.
6 (2) The prospective adoptive parents.
7 (d) This section does not authorize the release of medical
8 information that would result in the identification of an individual.
9 **(e) This section does not apply to a petition for adoption under**
10 **section 1 of this chapter.**
11 SECTION 3. [EFFECTIVE JULY 1, 2019] **(a) IC 6-3-3-13.5, as**
12 **added by this act, applies to taxable years beginning after**
13 **December 31, 2019.**
14 **(b) This SECTION expires June 30, 2020.**

