



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5314

by Rep. Barbara Wheeler

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a tax credit for each individual taxpayer who adopts a child during the taxable year in an amount equal to certain nonrecurring adoption expenses incurred by the taxpayer in connection with that adoption. Provides that the credit may not exceed \$4,000 per child. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB098 17284 HLH 52378 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Adoption expenses credit.

8 (a) For each taxable year beginning on or after January 1,  
9 2014, each individual taxpayer who adopts a child during the  
10 taxable year is entitled to a credit against the tax imposed by  
11 subsections (a) and (b) of Section 201 of this Act in an amount  
12 equal to the nonrecurring adoption expenses incurred by the  
13 taxpayer in connection with that adoption. The credit under  
14 this Section may not exceed \$4,000 per child.

15 (b) In no event shall a credit under this Section reduce  
16 the taxpayer's liability to less than zero. If the amount of  
17 the credit exceeds the tax liability for the year, the excess  
18 may be carried forward and applied to the tax liability of the  
19 5 taxable years following the excess credit year. The tax  
20 credit shall be applied to the earliest year for which there is  
21 a tax liability. If there are credits for more than one year  
22 that are available to offset a liability, the earlier credit  
23 shall be applied first.

1       (c) As used in this Section, the following terms have the  
2 following meanings.

3       "Child" means a person who is under the age of 18 years and  
4 who is adopted in this State or placed for adoption from this  
5 State.

6       "Nonrecurring adoption expenses" means reasonable and  
7 necessary adoption fees, court costs, attorney fees, and  
8 expenses which are directly related to the legal process of  
9 adoption of a child, which are incurred to complete the  
10 adoption process or meet federal requirements and are not  
11 reimbursed, including costs related to the adoption study,  
12 health and psychological examinations, supervision of the  
13 placement before the adoption, and transportation and  
14 reasonable costs of lodging and food for the child or adoptive  
15 parents.

16       (d) This Section is exempt from the provisions of Section  
17 250.

18       Section 99. Effective date. This Act takes effect upon  
19 becoming law.