

**From the desk of
Peter S. Muffoletto, C.P.A.**

Adoption Tax Credit

Those parents who adopted or started the adoption process during 2019 could be eligible for the adoption credit.

Some helpful facts are as follows:

- The maximum adoption credit available for tax year 2019 is \$14,080 per eligible child.
- There are income limits that could affect the amount of the credit.
- An eligible child must be younger than 18. If the adopted person is older, they must be unable to physically take care of themselves for the credit to be available.
- This credit is non-refundable which means the amount of the credit is limited to the taxes due for 2019.
- Any credit leftover can be carried forward for up to five years.

Qualified expenses include:

- Reasonable and necessary adoption fees.
 - Court costs and legal fees.
 - Adoption related travel expenses like meals and lodging.
 - Other expenses directly related to the legal adoption of an eligible child.
 - Some pre-adoption studies and professional fees.
- In some cases a registered domestic partner may pay the adoption expenses assuming that you live in a state that allows a same-sex second parent or co-parent to adopt their partner's child.
 - Expenses may also qualify even before an eligible child is identified.
 - Qualified adoption expenses do not include costs paid to adopt their spouse's child.
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