

SPECIAL NEEDS ADOPTION TAX CREDIT

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Jennifer M. Seelig

LONG TITLE

General Description:

This bill amends the Refundable Tax Credit Act to address a tax credit for the adoption of a child who has a special need.

Highlighted Provisions:

This bill:

- ▶ modifies the refundable income tax credit for the adoption of a child who has a special need; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for a taxable year beginning on or after January 1, 2013.

Utah Code Sections Affected:

AMENDS:

59-10-1104, as renumbered and amended by Laws of Utah 2006, Chapter 223

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-1104** is amended to read:

59-10-1104. Tax credit for adoption of a child who has a special need.

(1) As used in this section, a "child who has a special need" means a child who meets at least one of the following conditions:

30 (a) the child is five years of age or older;

31 (b) the child:

32 (i) is under the age of 18; and

33 (ii) has a physical, emotional, or mental disability; or

34 (c) the child is a member of a sibling group placed together for adoption.

35 (2) (a) [For taxable years beginning on or after January 1, 2005] Subject to the other

36 provisions of this section, a claimant who adopts [in this state] a child who has a special need

37 may claim a refundable tax credit of \$1,000:

38 (i) for a child who has a special need who the claimant adopts;

39 (ii) on the claimant's individual income tax return for the taxable year [a refundable tax

40 credit of \$1,000]; and

41 (iii) against taxes otherwise due under this chapter [for:];

42 [~~(a) adoptions for which a court issues an order granting the adoption on or after~~

43 January 1, 2005;]

44 [~~(b) the taxable year during which a court issues an order granting the adoption; and]~~

45 [~~(c) each child who has a special need whom the claimant adopts.]~~

46 (b) A tax credit under this section may not exceed \$1,000 per return for a taxable year.

47 (3) For a claimant to qualify for the tax credit described in Subsection (2) for an

48 adoption:

49 (a) the order that grants the adoption shall be issued:

50 (i) on or after January 1, 2013; and

51 (ii) by:

52 (A) a court of competent jurisdiction of this state or another state; or

53 (B) a foreign country;

54 (b) the claimant shall be a resident of this state on the date the order described in

55 Subsection (3)(a) is issued; and

56 (c) for an adoption made by a foreign country, the adoption shall be registered in

57 accordance with Section 78B-6-142.

58 (4) (a) For an adoption for which a court of competent jurisdiction of this state or
59 another state issues the order described in Subsection (3)(a), a claimant may claim a tax credit
60 for the taxable year for which the adoption order becomes final.

61 (b) For an adoption for which a foreign country issues the order described in
62 Subsection (3)(a), a claimant may claim a tax credit for the taxable year for which a court of
63 competent jurisdiction in this state orders the state registrar to file the adoption order issued by
64 the foreign country.

65 [~~3~~] (5) The credit provided for in this section may not be carried forward or carried
66 back.

67 [~~4~~] (6) Nothing in this section shall affect the ability of any claimant who adopts a
68 child who has a special need to receive adoption assistance under Section 62A-4a-907.

69 **Section 2. Retrospective operation.**

70 This bill has retrospective operation for a taxable year beginning on or after January 1,
71 2013.