

AN ACT

To amend section 5747.37 of the Revised Code to increase the income tax adoption credit from \$500 per child to \$1,500.

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

SECTION 1. That section 5747.37 of the Revised Code be amended to read as follows:

Sec. 5747.37. As used in this section:

(A) "Minor child" means a person under eighteen years of age.

(B) "Legally adopt" means to adopt a minor child pursuant to Chapter 3107. of the Revised Code, or pursuant to the laws of any other state or nation if such an adoption is recognizable under section 3107.18 of the Revised Code. For the purposes of this section, a minor child is legally adopted when the final decree or order of adoption is issued by the proper court under the laws of the state or nation under which the child is adopted, or, in the case of an interlocutory order of adoption, when the order becomes final under the laws of the state or nation. "Legally adopt" does not include the adoption of a minor child by the child's stepparent.

There is hereby granted a credit against the tax imposed by section 5747.02 of the Revised Code for the legal adoption by a taxpayer of a minor child. The amount of the credit shall be one thousand five hundred dollars for each minor child legally adopted by the taxpayer ~~during the taxable year.~~ The taxpayer shall claim the credit for each child beginning with the taxable year in which the child was legally adopted. If the sum of the credit to which the taxpayer would otherwise be entitled under this section is greater than the tax due under section 5747.02 of the Revised Code for that taxable year after allowing for any other credits that precede the credit under this section in the order required under section 5747.98 of the Revised Code, such excess shall be allowed as a credit in each of the ensuing two taxable years, but the amount of any excess credit allowed in any such taxable year shall be deducted from the balance carried forward to the ensuing taxable year. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. For the purposes of making tax payments under this

chapter, taxes equal to the amount of the credit shall be considered to be paid to this state on the first day of the taxable year.

SECTION 2. That existing section 5747.37 of the Revised Code is hereby repealed.

SECTION 3. The amendment by this act of section 5747.37 of the Revised Code applies to adoptions of minor children under final decrees or orders of adoption duly issued, or interlocutory orders of adoption that become final, during taxable years beginning on or after January 1, 2007.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. S. B. No. 20

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____