



S.B. 20*

127th General Assembly

(As Reported by S. Ways & Means & Economic Development)

Sens. Clancy, Gardner, Stivers, Faber, Mumper, Padgett, Schuring, Schaffer

BILL SUMMARY

- Increases from \$500 to \$1,500 the income tax credit for adoption of a minor child.

CONTENT AND OPERATION

Increase of the adoption income tax credit

(R.C. 5747.37)

Continuing law authorizes a nonrefundable tax credit against the state personal income tax for a taxpayer who adopts a minor child under age 18. To qualify for the credit, the adoption has to occur pursuant to Ohio's adoption law (R.C. Chapter 3107.) or the laws of another state or nation if the adoption under those laws is recognizable under the Ohio adoption law. The tax credit does not apply to the adoption of a minor child by a stepparent. Under current law, the credit equals \$500 for each minor child legally adopted during a taxable year.

The bill increases the amount of the tax credit to \$1,500 for each minor child legally adopted by a taxpayer.

Application of the credit

(Section 3)

The increased tax credit 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. In Ohio,

** This analysis was prepared before the report of the Senate Ways and Means and Economic Development Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

an interlocutory order of adoption becomes final on a date specified in the order, which must be between six and twelve months after it is issued by a court, pending further observation and investigation by the court of the adoptive parents and home setting during that time.

HISTORY

ACTION

DATE

Introduced

02-20-07

Reported, S. Ways & Means & Economic Development

S0020-RS-127.doc/jc