

**SPECIAL NEEDS ADOPTION TAX CREDIT**

2013 GENERAL SESSION

STATE OF UTAH

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**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, including allowing the tax credit to be claimed for certain foreign adoptions; 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

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*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:

- (a) the child is five years of age or older;
- (b) the child:
  - (i) is under the age of 18; and
  - (ii) has a physical, emotional, or mental disability; or

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

34 (2) ~~[For taxable years beginning on or after January 1, 2005, a]~~ A claimant who adopts  
35 ~~[in this state]~~ a child who has a special need may claim on the claimant's individual income tax  
36 return for the taxable year a refundable tax credit of \$1,000 against taxes otherwise due under  
37 this chapter ~~[for]~~:

38 (a) ~~[adoptions]~~ for an adoption:

39 (i) other than an adoption described in Subsection (2)(a)(ii), for which a court of  
40 competent jurisdiction in this state issues an order granting the adoption on or after January 1,  
41 2005; or

42 (ii) made by a foreign country, if the adoption order that the foreign country renders is:

43 (A) rendered on or after January 1, 2013, to a resident of this state; and

44 (B) registered in accordance with Section 78B-6-142;

45 (b) (i) for an adoption described in Subsection (2)(a)(i), for the taxable year during  
46 which [a court issues an order granting the adoption; and] the order described in Subsection  
47 (2)(a)(i) becomes final; or

48 (ii) for an adoption described in Subsection (2)(a)(ii), for the taxable year during which  
49 a court orders the state registrar to file the adoption order rendered by the foreign country; and

50 (c) for each child who has a special need whom the claimant adopts.

51 (3) The credit provided for in this section may not be carried forward or carried back.

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

54 **Section 2. Retrospective operation.**

55 This bill has retrospective operation for a taxable year beginning on or after January 1,  
56 2013.