

TAX CREDITS FOR SPECIAL NEEDS ADOPTIONS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Carlene M. Walker

This act modifies provisions of the Revenue and Taxation Code and the Utah Human Services Code relating to Child and Family Services. The act provides a tax credit to any taxpayer who adopts a child who has a special need. This act has retrospective operation for taxable years beginning on or after January 1, 2001.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

62A-4a-607, as last amended by Chapters 39 and 208, Laws of Utah 2000

ENACTS:

59-10-133, Utah Code Annotated 1953

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

Section 1. Section **59-10-133** is enacted to read:

59-10-133. Tax credits for special needs adoptions.

(1) For purposes of this section, a "child who has a special need" means a child for whom permanent custody has been awarded to the Utah Division of Child and Family Services, who cannot or should not be returned to the home of the child's biological parents, and who meets at least one of the following conditions:

- (a) the child is five years of age or older;
- (b) the child is under the age of 18 with a physical, emotional, or mental disability; or
- (c) the child is a member of a sibling group placed together for adoption.

(2) For taxable years beginning on or after January 1, 2001, a taxpayer who adopts a child who has a special need may claim on the taxpayer's individual income tax return for the taxable year a refundable credit of \$1,000 against taxes otherwise due under this chapter for:

- (a) adoptions for which a court issues an order granting the adoption on or after January 1, 2001;
- (b) the taxable year during which a court issues an order granting the adoption; and

(c) each child who has a special need whom the taxpayer adopts.

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

(4) Nothing in this section shall affect the ability of any taxpayer who adopts a child who has a special need to receive financial aid for adoption expenses under Section 62A-4a-108.

Section 2. Section **62A-4a-607** is amended to read:

62A-4a-607. Promotion of adoption -- Agency notice to potential adoptive parents.

(1) (a) The division and all child placing agencies licensed under this part shall promote adoption when that is a possible and appropriate alternative for a child. Specifically, in accordance with Section 62A-4a-205.6, the division shall actively promote the adoption of all children in its custody who have a final plan for termination of parental rights pursuant to Section 78-3a-312 or a primary permanency goal of adoption.

(b) Beginning May 1, 2000, the division may not place a child for adoption, either temporarily or permanently, with any individual or individuals who do not qualify for adoptive placement pursuant to the requirements of Sections 78-30-1, 78-30-1.5, and 78-30-9.

(2) The division shall obtain or conduct research of prior adoptive families to determine what families may do to be successful with their adoptive children and shall make this research available to potential adoptive parents.

(3) (a) A child placing agency licensed under this part shall inform each potential adoptive parent with whom it is working that:

(i) children in the custody of the state are available for adoption;

(ii) Medicaid coverage for medical, dental, and mental health services may be available for these children;

(iii) tax benefits, including the tax credit provided for in Section 59-10-133, and financial assistance may be available to defray the costs of adopting these children;

(iv) training and ongoing support may be available to the adoptive parents of these children; and

(v) information about individual children may be obtained by contacting the division's offices or its Internet site as explained by the child placing agency.

(b) A child placing agency shall:
(i) provide the notice required by Subsection (3)(a) at the earliest possible opportunity; and
(ii) simultaneously distribute a copy of the pamphlet prepared by the division in accordance with Subsection (3)(d).

(c) As a condition of licensure, the child placing agency shall certify to the Office of Licensing at the time of license renewal that it has complied with the provisions of this section.

(d) Before July 1, 2000, the division shall:
(i) prepare a pamphlet that explains the information that is required by Subsection (3)(a); and
(ii) regularly distribute copies of the pamphlet described in Subsection (3)(d)(i) to child placing agencies.

(e) The division shall respond to any inquiry made as a result of the notice provided in Subsection (3)(a).

Section 3. Retrospective operation.

This act has retrospective operation for taxable years beginning on or after January 1, 2001.