

107TH CONGRESS
1ST SESSION

H. R. 622

AN ACT

To amend the Internal Revenue Code of 1986 to expand
the adoption credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Hope for Children
3 Act”.

4 **SEC. 2. INCREASED TAX INCENTIVES FOR ADOPTIONS.**

5 (a) INCREASE IN MAXIMUM BENEFIT.—Section
6 23(b)(1) of the Internal Revenue Code of 1986 (relating
7 to dollar limitation) is amended by striking “\$5,000” and
8 all that follows and inserting “\$10,000.”.

9 (b) BENEFITS MADE PERMANENT FOR ALL CHIL-
10 DREN.—Paragraph (2) of section 23(d) of such Code is
11 amended to read as follows:

12 “(2) ELIGIBLE CHILD.—The term ‘eligible
13 child’ means any individual who—

14 “(A) has not attained age 18, or

15 “(B) is physically or mentally incapable of
16 caring for himself.”.

17 (c) INCREASE IN PHASEOUT.—Clause (i) of section
18 23(b)(2)(A) of such Code (relating to income limitation)
19 is amended by striking “\$75,000” and inserting
20 “\$150,000”.

21 (d) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
22 IMUM TAX.—

23 (1) IN GENERAL.—Subsection (b) of section 23
24 of such Code is amended by adding at the end the
25 following new paragraph:

1 “(4) LIMITATION BASED ON AMOUNT OF
2 TAX.—The credit allowed under subsection (a) for
3 any taxable year shall not exceed the excess of—

4 “(A) the sum of the regular tax liability
5 (as defined in section 26(b)) plus the tax im-
6 posed by section 55, over

7 “(B) the sum of the credits allowable
8 under this subpart (other than this section) and
9 section 27 for the taxable year.”.

10 (2) CONFORMING AMENDMENTS.—

11 (A) Subsection (c) of section 23 of such
12 Code is amended—

13 (i) by striking “section 26(a)” and in-
14 serting “subsection (b)(4)”; and

15 (ii) by striking “reduced by the sum
16 of the credits allowable under this subpart
17 (other than this section and section
18 1400C)”.

19 (B) Paragraph (1) of section 26(a) of such
20 Code is amended by inserting “(other than sec-
21 tion 23)” after “this subpart”.

22 (C) Section 904(h) of such Code is amend-
23 ed by inserting “(other than section 23)” after
24 “chapter”.

1 (D) Subsection (d) of section 1400C of
2 such Code is amended by inserting “and section
3 23” after “this section”.

4 (e) AMENDMENTS RELATED TO EMPLOYER-PRO-
5 VIDED ADOPTION ASSISTANCE.—

6 (1) Paragraph (1) of section 137(b) of such
7 Code is amended by striking “\$5,000” and all that
8 follows and inserting “\$10,000.”.

9 (2) Subparagraph (A) of section 137(b)(2) of
10 such Code is amended by striking “\$75,000” and in-
11 serting “\$150,000”.

12 (3) Section 137 of such Code is amended by
13 striking subsection (f) (relating to termination).

14 (f) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall apply to taxable years beginning after Decem-
18 ber 31, 2001.

19 (2) EXPENSES PAID OR INCURRED IN PRIOR
20 YEARS.—Expenses paid or incurred during any tax-
21 able year beginning before January 1, 2002, may be
22 taken into account in determining the credit under
23 section 23 of the Internal Revenue Code of 1986 for
24 a taxable year beginning on or after such date only
25 to the extent the aggregate of such expenses does

1 not exceed the applicable limitation under section
2 23(b)(1) of such Code as in effect on the day before
3 the date of the enactment of this Act.

Passed the House of Representatives May 17, 2001.

Attest:

JEFF TRANDAHL,

Clerk.

By

Deputy Clerk.

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