

107TH CONGRESS
1ST SESSION

H. R. 622

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2001

Mr. DEMINT (for himself, Mr. OBERSTAR, Mr. BACHUS, Mr. KING, Ms. PRYCE of Ohio, Mr. ACKERMAN, Mr. ADERHOLT, Mr. AKIN, Mr. ANDREWS, Mr. ARMEY, Mr. BAIRD, Ms. BALDWIN, Mr. BARRETT, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BEREUTER, Mrs. BIGGERT, Mr. BILIRAKIS, Mr. BLAGOJEVICH, Mr. BLUNT, Mr. BOEHLERT, Mr. BONIOR, Mrs. BONO, Mr. BOUCHER, Mr. BRADY of Texas, Ms. BROWN of Florida, Mr. BROWN of South Carolina, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CAMP, Mr. CANNON, Mr. CANTOR, Mr. CHABOT, Mr. CHAMBLISS, Mr. COOKSEY, Mr. COSTELLO, Mr. COX, Mr. COYNE, Mr. CRAMER, Mr. CRANE, Mrs. CUBIN, Mr. CUNNINGHAM, Mrs. JO ANN DAVIS of Virginia, Mr. THOMAS M. DAVIS of Virginia, Mr. DELAHUNT, Mr. DELAY, Mr. DOOLITTLE, Mr. DOYLE, Mr. DUNCAN, Mr. EHLERS, Mrs. EMERSON, Mr. ENGLISH, Mr. EVANS, Mr. EVERETT, Mr. FLAKE, Mr. FLETCHER, Mr. FOLEY, Mr. FOSSELLA, Mr. FRANK, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GIBBONS, Mr. GILLMOR, Mr. GILMAN, Mr. GOODE, Mr. GORDON, Mr. GRAHAM, Ms. GRANGER, Mr. GREEN of Texas, Mr. GREENWOOD, Mr. GRUCCI, Mr. GUTKNECHT, Mr. HALL of Ohio, Mr. HANSEN, Ms. HART, Mr. HAYES, Mr. HAYWORTH, Mr. HOBSON, Mr. HOLDEN, Mr. HORN, Mr. HOSTETTLER, Mr. HUTCHINSON, Mr. INSLEE, Mr. ISAKSON, Mr. JENKINS, Mrs. JOHNSON of Connecticut, Mr. SAM JOHNSON of Texas, Mrs. JONES of Ohio, Mr. KELLER, Mrs. KELLY, Mr. KERNS, Mr. KIND, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. KOLBE, Mr. KUCINICH, Mr. LAHOOD, Mr. LARSON of Connecticut, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LIPINSKI, Mr. LOBIONDO, Mr. LUCAS of Oklahoma, Mrs. MALONEY of New York, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. MCHUGH, Mr. MCINNIS, Mr. MCINTYRE, Mr. McNULTY, Mr. MEEHAN, Mr. GARY MILLER of California, Mrs. MINK of Hawaii, Mr. MOORE, Mr. MORAN of Virginia, Mrs. MORELLA, Mrs. MYRICK, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. NEY, Mrs. NORTHUP, Mr. OSBORNE, Mr. OXLEY, Mr. PASCARELL, Mr. PAUL, Mr. PENCE, Mr. PICKERING, Mr. PITTS, Mr. PLATTS, Mr. PRICE of North Carolina, Mr. PUTNAM, Mr. REYNOLDS, Mr. RILEY, Ms.

RIVERS, Mr. ROEMER, Mr. ROGERS of Michigan, Mrs. ROUKEMA, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SANDERS, Mr. SCHAFFER, Ms. SCHAKOWSKY, Mr. SCHROCK, Mr. SCOTT, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAYS, Mr. SHERWOOD, Mr. SHIMKUS, Mr. SIMMONS, Mr. SIMPSON, Mr. SKEEN, Mr. SKELTON, Mr. SMITH of New Jersey, Mr. SMITH of Michigan, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STUPAK, Mr. SWEENEY, Mr. TANCREDO, Mr. TAUZIN, Mr. TERRY, Mrs. THURMAN, Mr. TIAHRT, Mr. TIBERI, Mr. TOOMEY, Mr. UNDERWOOD, Mr. VITTER, Mr. WALDEN of Oregon, Mr. WALSH, Mr. WAXMAN, Mr. WELDON of Florida, Mr. WHITFIELD, Mr. WICKER, Mr. WOLF, Mr. BAKER, Mr. ALLEN, Mr. WAMP, Mr. LARSEN of Washington, Mr. ISTOOK, Mr. CRENSHAW, Ms. CAPITO, Mr. UDALL of Colorado, Mr. BACA, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hope for Children
5 Act”.

6 **SEC. 2. EXPANSION OF ADOPTION CREDIT AND ADOPTION**

7 **ASSISTANCE PROGRAMS.**

8 (a) IN GENERAL.—

9 (1) ADOPTION CREDIT.—Section 23(a)(1) of
10 the Internal Revenue Code of 1986 (relating to al-
11 lowance of credit) is amended to read as follows:

1 “(1) IN GENERAL.—In the case of an indi-
2 vidual, there shall be allowed as a credit against the
3 tax imposed by this chapter—

4 “(A) in the case of an adoption of a child
5 other than a child with special needs, the
6 amount of the qualified adoption expenses paid
7 or incurred by the taxpayer, and

8 “(B) in the case of an adoption of a child
9 with special needs, \$10,000.”.

10 (2) ADOPTION ASSISTANCE PROGRAMS.—Sec-
11 tion 137(a) of such Code (relating to adoption as-
12 sistance programs) is amended to read as follows:

13 “(a) IN GENERAL.—Gross income of an employee
14 does not include amounts paid or expenses incurred by the
15 employer for adoption expenses in connection with the
16 adoption of a child by an employee if such amounts are
17 furnished pursuant to an adoption assistance program.
18 The amount of the exclusion shall be—

19 “(1) in the case of an adoption of a child other
20 than a child with special needs, the amount of the
21 qualified adoption expenses paid or incurred by the
22 taxpayer, and

23 “(2) in the case of an adoption of a child with
24 special needs, \$10,000.”.

25 (b) DOLLAR LIMITATIONS.—

1 (1) DOLLAR AMOUNT OF ALLOWED EX-
2 PENSES.—

3 (A) ADOPTION EXPENSES.—Section
4 23(b)(1) of the Internal Revenue Code of 1986
5 (relating to allowance of credit) is amended—

6 (i) by striking “\$5,000” and inserting
7 “\$10,000”,

8 (ii) by striking “(\$6,000, in the case
9 of a child with special needs)”, and

10 (iii) by striking “subsection (a)” and
11 inserting “subsection (a)(1)(A)”.

12 (B) ADOPTION ASSISTANCE PROGRAMS.—
13 Section 137(b)(1) of such Code (relating to dol-
14 lar limitations for adoption assistance pro-
15 grams) is amended—

16 (i) by striking “\$5,000” and inserting
17 “\$10,000”, and

18 (ii) by striking “(\$6,000, in the case
19 of a child with special needs)”, and

20 (iii) by striking “subsection (a)” and
21 inserting “subsection (a)(1)”.

22 (2) PHASE-OUT LIMITATION.—

23 (A) ADOPTION EXPENSES.—Clause (i) of
24 section 23(b)(2)(A) of such Code (relating to

1 income limitation) is amended by striking
2 “\$75,000” and inserting “\$150,000”.

3 (B) ADOPTION ASSISTANCE PROGRAMS.—

4 Section 137(b)(2)(A) of such Code (relating to
5 income limitation) is amended by striking
6 “\$75,000” and inserting “\$150,000”.

7 (c) YEAR CREDIT ALLOWED.—Section 23(a)(2) of
8 the Internal Revenue Code of 1986 (relating to year credit
9 allowed) is amended by adding at the end the following
10 new flush sentence:

11 “In the case of the adoption of a child with special
12 needs, the credit allowed under paragraph (1) shall
13 be allowed for the taxable year in which the adoption
14 becomes final.”.

15 (d) REPEAL OF SUNSET PROVISIONS.—

16 (1) CHILDREN WITHOUT SPECIAL NEEDS.—

17 Paragraph (2) of section 23(d) of the Internal Rev-
18 enue Code of 1986 (relating to definition of eligible
19 child) is amended to read as follows:

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

22 “(A) has not attained age 18, or

23 “(B) is physically or mentally incapable of
24 caring for himself.”.

1 (2) ADOPTION ASSISTANCE PROGRAMS.—Sec-
2 tion 137 of such Code (relating to adoption assist-
3 ance programs) is amended by striking subsection
4 (f).

5 (e) ADJUSTMENT OF DOLLAR AND INCOME LIMITA-
6 TIONS FOR INFLATION.—

7 (1) ADOPTION CREDIT.—Section 23 of the In-
8 ternal Revenue Code of 1986 (relating to adoption
9 expenses) is amended by redesignating subsection
10 (h) as subsection (i) and by inserting after sub-
11 section (g) the following new subsection:

12 “(h) ADJUSTMENTS FOR INFLATION.—In the case of
13 a taxable year beginning after December 31, 2002, each
14 of the dollar amounts in subsection (a)(1)(B) and para-
15 graphs (1) and (2)(A)(i) of subsection (b) shall be in-
16 creased by an amount equal to—

17 “(1) such dollar amount, multiplied by

18 “(2) the cost-of-living adjustment determined
19 under section 1(f)(3) for the calendar year in which
20 the taxable year begins, determined by substituting
21 ‘calendar year 2001’ for ‘calendar year 1992’ in sub-
22 paragraph (B) thereof.”.

23 (2) ADOPTION ASSISTANCE PROGRAMS.—Sec-
24 tion 137 of such Code (relating to adoption assist-
25 ance programs), as amended by subsection (d), is

1 amended by adding at the end the following new
2 subsection:

3 “(f) ADJUSTMENTS FOR INFLATION.—In the case of
4 a taxable year beginning after December 31, 2002, each
5 of the dollar amounts in subsection (a)(2) and paragraphs
6 (1) and (2)(A) of subsection (b) shall be increased by an
7 amount equal to—

8 “(1) such dollar amount, multiplied by

9 “(2) the cost-of-living adjustment determined
10 under section 1(f)(3) for the calendar year in which
11 the taxable year begins, determined by substituting
12 ‘calendar year 2001’ for ‘calendar year 1992’ in sub-
13 paragraph (B) thereof.”.

14 (f) LIMITATION BASED ON AMOUNT OF TAX.—

15 (1) IN GENERAL.—Section 23(c) of the Internal
16 Revenue Code of 1986 (relating to carryforwards of
17 unused credit) is amended by striking “the limita-
18 tion imposed” and all that follows through
19 “1400C)” and inserting “the applicable tax limita-
20 tion”.

21 (2) APPLICABLE TAX LIMITATION.—Section
22 23(d) of such Code (relating to definitions) is
23 amended by adding at the end the following new
24 paragraph:

1 “(4) APPLICABLE TAX LIMITATION.—The term
2 ‘applicable tax limitation’ means the sum of—

3 “(A) the taxpayer’s regular tax liability for
4 the taxable year, reduced (but not below zero)
5 by the sum of the credits allowed by sections
6 21, 22, 24 (other than the amount of the in-
7 crease under subsection (d) thereof), 25, and
8 25A, and

9 “(B) the tax imposed by section 55 for
10 such taxable year.”.

11 (3) CONFORMING AMENDMENTS.—

12 (A) Section 26(a) of such Code (relating to
13 limitation based on amount of tax) is amended
14 by inserting “(other than section 23)” after “al-
15 lowed by this subpart”.

16 (B) Section 53(b)(1) of such Code (relat-
17 ing to minimum tax credit) is amended by in-
18 serting “reduced by the aggregate amount
19 taken into account under section 23(d)(3)(B)
20 for all such prior taxable years,” after “1986,”.

21 (g) CREDIT RENAMED THE TOM BLILEY ADOPTION

22 CREDIT.—

23 (1) The heading of section 23 of such Code is
24 amended to read as follows:

1 **“SEC. 23. TOM BLILEY ADOPTION CREDIT.”.**

2 (2) The item relating to section 23 in the table
3 of sections for subpart A of part IV of subchapter
4 A of chapter 1 of such Code is amended to read as
5 follows:

“Sec. 23. Tom Bliley adoption credit.”.

6 (h) **EFFECTIVE DATE.**—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2001.

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