

## Did You Know?



There were changes made to the federal Adoption Tax Credit.

The federal adoption tax credit was made refundable for the first time! Meaning you can claim it for a refund even if you owe no taxes. Families who adopt a child with special needs from foster care can claim the credit without needing to incur or document expenses. The credit per-child is now \$13,170 for adoptions finalized in 2010. Now that the credit is refundable many more families will benefit; even families who adopted earlier than 2010, but didn't have enough tax liability to access the credit in previous years. Families that finalized adoptions in 2005-2009 can carry forward unused tax credit to their 2010 return and claim it as a refundable credit.

Be informed when preparing your taxes or visiting your tax consultant this year, visit the resources listed below. Since this is new, some tax consultants may not be aware of the changes; help to educate them of the recent updates to the federal credit by referring them to the IRS instructions for Form 8839 and NACAC's fact sheets. To learn more about the adoption tax credit and how it might benefit your family, visit the following resources:

- Visit the IRS (Form 8839): <http://www.irs.gov/formspubs/article/0,,id=177982,00.html>  
(You will notice that this currently links to the 2009 forms; the IRS will update the forms to 2010 later this year)
- Visit the website of NACAC (a VFA board organization) for helpful fact sheets at: <http://www.nacac.org/>

Contact Voice for Adoption at [voiceforadoption@gmail.com](mailto:voiceforadoption@gmail.com) or 202.210.8118 or [www.voice-for-adoption.org](http://www.voice-for-adoption.org)

*The information listed here is not intended to be professional tax advice, please check with a professional tax consultant.*