

House File 100 - Introduced

HOUSE FILE 100

BY LOHSE, MITCHELL, and GOBBLE

A BILL FOR

1 An Act relating to the adoption tax credit available against
2 the individual income tax.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12A, subsection 2, Code 2021, is
2 amended to read as follows:

3 2. a. (1) The For tax years beginning before January
4 1, 2022, the taxes imposed under this subchapter, less the
5 credits allowed under section 422.12, shall be reduced by an
6 adoption tax credit equal to the amount of qualified adoption
7 expenses paid or incurred by the taxpayer in connection with
8 the adoption of a child by the taxpayer, not to exceed five
9 thousand dollars per adoption.

10 (2) This paragraph is repealed January 1, 2027.

11 b. (1) For the tax year beginning January 1, 2022, the
12 taxes imposed under this subchapter, less the credits allowed
13 under section 422.12, shall be reduced by an adoption tax
14 credit equal to the amount of qualified adoption expenses paid
15 or incurred by the taxpayer in connection with the adoption
16 of a child by the taxpayer, not to exceed seven thousand five
17 hundred dollars per adoption.

18 (2) This paragraph is repealed January 1, 2028.

19 c. For tax years beginning on or after January 1, 2023, the
20 taxes imposed under this subchapter, less the credits allowed
21 under section 422.12, shall be reduced by an adoption tax
22 credit equal to the amount of qualified adoption expenses paid
23 or incurred by the taxpayer in connection with the adoption of
24 a child by the taxpayer, not to exceed ten thousand dollars per
25 adoption.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to the adoption tax credit available
30 against the individual income tax.

31 Currently, the adoption tax credit equals the amount of
32 qualified adoption expenses paid or incurred by the taxpayer in
33 connection with the adoption of a child, not to exceed \$5,000
34 per adoption.

35 The bill phases in an increase to the maximum amount of the

H.F. 100

1 adoption tax credit as follows: for the tax year beginning
2 January 1, 2022, the maximum amount of the adoption tax credit
3 increases from \$5,000 per adoption to \$7,500 per adoption;
4 and for tax years beginning on or after January 1, 2023, the
5 maximum amount of the tax credit increases from \$7,500 per
6 adoption to \$10,000 per adoption.