

**House File 1026 - Introduced**

HOUSE FILE 1026  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 965)

**A BILL FOR**

1 An Act relating to the adoption tax credit available against  
2 the individual income tax, and including effective date and  
3 retroactive applicability provisions.

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

unofficial

1 Section 1. Section 422.12A, subsection 2, Code 2025, is  
2 amended to read as follows:

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

9 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
10 importance, takes effect upon enactment.

11 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
12 retroactively to January 1, 2024, for tax years beginning on or  
13 after that date if the adoption becomes final on or after that  
14 date.

15 EXPLANATION

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

18 This bill relates to the adoption tax credit available against  
19 the individual income tax.

20 Currently, the tax credit equals up to \$5,000 of qualified  
21 adoption expenses per adoption. The bill increases the tax  
22 credit to equal up to \$20,000 of qualified adoption expenses  
23 per adoption. Any credit in excess of the tax liability is  
24 refundable.

25 "Qualified adoption expenses" means unreimbursed expenses paid  
26 or incurred in connection with the adoption of a child, including  
27 medical and hospital expenses of the biological mother which are  
28 incident to the child's birth, welfare agency fees, legal fees,  
29 and all other fees and costs which relate to the adoption of a  
30 child.

31 "Child" means an individual under 18 years of age.

32 Current law in Code section 422.12A(4) determines the tax year  
33 when qualified adoption expenses are allowed.

34 The bill takes effect upon enactment and applies retroactively  
35 to tax years beginning on or after January 1, 2024, for adoptions

1 finalized on or after that date.

unofficial