

# Union Calendar No. 35

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 622

[Report No. 107-64]

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

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## 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. PASCRELL, 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. TANCREDI, 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

MAY 15, 2001

Additional sponsors: Mr. VISCLOSKEY, Mr. SABO, Mr. FILNER, Ms. KAPTUR, Mr. BONILLA, Mr. TAYLOR of North Carolina, Mr. BERMAN, Mr. CROWLEY, Mr. GALLEGLY, Mr. DEFazio, Mr. CLEMENT, Mr. BISHOP, Mr. WU, Mr. BORSKI, Mr. LUCAS of Kentucky, Mr. EHRLICH, Mr. NORWOOD, Mr. STRICKLAND, Mr. JONES of North Carolina, Mr. LARGENT, Mr. LATHAM, Mr. THUNE, Ms. CARSON of Indiana, Mr. FERGUSON, Mr. CALVERT, Mr. BALLENGER, Mr. BOEHNER, Mr. CASTLE, Mr. COBLE, Mr. DREIER, Mr. LINDER, Mr. MANZULLO, Mr. MORAN of Kansas, Mr. GREEN of Wisconsin, Mr. HASTINGS of Washington, Mr. HOEKSTRA, Mr. HULSHOF, Mr. ROHRBACHER, Mr. WATTS of Oklahoma, Mr. NETHERCUTT, Mr. SNYDER, Mr. PETERSON of Minnesota, Mr. GRAVES, Mr. OTTER, Mr. BALDACC, Ms. SOLIS, Mr. HOEFFEL, Mr. PORTMAN, Ms. DUNN, Mr. HYDE, Mr. WELDON of Pennsylvania, Mr. BLUMENAUER, Ms. HOOLEY of Oregon, Mr. GOODLATTE, Mr. OSE, Mr. LANGEVIN, Mr. HEFLEY, Mr. BASS, Mr. OLVER, Mr. COMBEST, Mr. DIAZ-BALART, Mr. GOSS, Mr. HOUGHTON, Mr. McKEON, Mr. POMBO, Mr. SUNUNU, Mr. YOUNG of Alaska, Mr. UPTON, Mr. WELLER, Mr. GEORGE MILLER of California, Mr. SAXTON, Mr. KILDEE, Ms. VELÁZQUEZ, Mr. HILLEARY, Mr. CLYBURN, Mr. ABERCROMBIE, Mr. DEAL of Georgia, Mr. WATT of North Carolina, Mr. GONZALEZ, Mr. MALONEY of Connecticut, Mrs. TAUSCHER, Mr. BROWN of Ohio, Mr. MICA, Mr. BARCIA, Ms. MILLENDER-McDONALD, Mr. LaFALCE, Mr. POMEROY, Mr. PHELPS, Mr. RAMSTAD, Mr. WATKINS, Mr. MATHESON, Mr. SAWYER, Mr. SMITH of Washington, Mr. HOYER, Ms. JACKSON-LEE of Texas, Mr. KENNEDY of Minnesota, Ms. McKINNEY, Mr. OWENS, Mr. ROGERS of Kentucky, Mr. ISSA, and Ms. NORTON

MAY 15, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 14, 2001]

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## 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 Act”.*

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

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

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

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

15 *“(A) has not attained age 18, or*

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

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

4       (d) *CREDIT ALLOWED AGAINST ALTERNATIVE MIN-*  
 5 *IMUM TAX*.—

6           (1) *IN GENERAL*.—Subsection (b) of section 23 of  
 7 such Code is amended by adding at the end the fol-  
 8 lowing new paragraph:

9           “(4) *LIMITATION BASED ON AMOUNT OF TAX*.—  
 10 The credit allowed under subsection (a) for any tax-  
 11 able year shall not exceed the excess of—

12           “(A) the sum of the regular tax liability (as  
 13 defined in section 26(b)) plus the tax imposed by  
 14 section 55, over

15           “(B) the sum of the credits allowable under  
 16 this subpart (other than this section) and section  
 17 27 for the taxable year.”.

18       (2) *CONFORMING AMENDMENTS*.—

19           (A) Subsection (c) of section 23 of such Code  
 20 is amended—

21           (i) by striking “section 26(a)” and in-  
 22 serting “subsection (b)(4)”, and

23           (ii) by striking “reduced by the sum of  
 24 the credits allowable under this subpart

1                   *(other than this section and section*  
 2                   *1400C)*”.

3                   *(B) Paragraph (1) of section 26(a) of such*  
 4                   *Code is amended by inserting “(other than sec-*  
 5                   *tion 23)” after “this subpart”.*

6                   *(C) Section 904(h) of such Code is amended*  
 7                   *by inserting “(other than section 23)” after*  
 8                   *“chapter”.*

9                   *(D) Subsection (d) of section 1400C of such*  
 10                   *Code is amended by inserting “and section 23”*  
 11                   *after “this section”.*

12           *(e) AMENDMENTS RELATED TO EMPLOYER-PROVIDED*  
 13   *ADOPTION ASSISTANCE.—*

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

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

20                   *(3) Section 137 of such Code is amended by*  
 21                   *striking subsection (f) (relating to termination).*

22           *(f) EFFECTIVE DATE.—*

23                   *(1) IN GENERAL.—Except as provided in para-*  
 24                   *graph (2), the amendments made by this section shall*

1        *apply to taxable years beginning after December 31,*  
2        *2001.*

3            (2) *EXPENSES PAID OR INCURRED IN PRIOR*  
4        *YEARS.—Expenses paid or incurred during any tax-*  
5        *able year beginning before January 1, 2002, may be*  
6        *taken into account in determining the credit under*  
7        *section 23 of the Internal Revenue Code of 1986 for*  
8        *a taxable year beginning on or after such date only*  
9        *to the extent the aggregate of such expenses does not*  
10       *exceed the applicable limitation under section*  
11       *23(b)(1) of such Code as in effect on the day before*  
12       *the date of the enactment of this Act.*



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