

112TH CONGRESS  
2D SESSION

# H. R. 4373

To amend the Internal Revenue Code of 1986 to make permanent the expansion of tax benefits for adoption enacted in 2001 and to permanently reinstate the expansion of tax benefits for adoption enacted in 2010.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2012

Mr. BRALEY of Iowa introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the expansion of tax benefits for adoption enacted in 2001 and to permanently reinstate the expansion of tax benefits for adoption enacted in 2010.

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 “Making Adoption Af-  
5       fordable Act of 2012”.

1 **SEC. 2. EXPANDED TAX BENEFITS FOR ADOPTION MADE**  
2 **PERMANENT.**

3 (a) EXPANSIONS ENACTED IN 2001 MADE PERMA-  
4 NENT.—Section 901 of the Economic Growth and Tax Re-  
5 lief Reconciliation Act of 2001 shall not apply to the  
6 amendments made by section 202 of such Act.

7 (b) EXPANSIONS ENACTED IN 2010 PERMANENTLY  
8 REINSTATED.—

9 (1) INCREASE IN DOLLAR LIMITATION.—

10 (A) ADOPTION CREDIT.—

11 (i) IN GENERAL.—Paragraph (1) of  
12 section 23(b) of the Internal Revenue Code  
13 of 1986 (relating to dollar limitation) is  
14 amended by striking “\$10,000” and insert-  
15 ing “\$13,170”.

16 (ii) CHILD WITH SPECIAL NEEDS.—  
17 Paragraph (3) of section 23(a) of such  
18 Code (relating to \$10,000 credit for adop-  
19 tion of child with special needs regardless  
20 of expenses) is amended—

21 (I) in the text by striking  
22 “\$10,000” and inserting “\$13,170”,  
23 and

24 (II) in the heading by striking  
25 “\$10,000” and inserting “\$13,170”.

1 (iii) CONFORMING AMENDMENT TO IN-  
2 FLATION ADJUSTMENT.—Subsection (h) of  
3 section 23 of such Code (relating to adjust-  
4 ments for inflation) is amended to read as  
5 follows:

6 “(h) ADJUSTMENTS FOR INFLATION.—

7 “(1) DOLLAR LIMITATIONS.—In the case of a  
8 taxable year beginning after December 31, 2010,  
9 each of the dollar amounts in subsections (a)(3) and  
10 (b)(1) shall be increased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-  
13 mined under section 1(f)(3) for the calendar  
14 year in which the taxable year begins, deter-  
15 mined by substituting ‘calendar year 2009’ for  
16 ‘calendar year 1992’ in subparagraph (B)  
17 thereof.

18 If any amount as increased under the preceding sen-  
19 tence is not a multiple of \$10, such amount shall be  
20 rounded to the nearest multiple of \$10.

21 “(2) INCOME LIMITATION.—In the case of a  
22 taxable year beginning after December 31, 2002, the  
23 dollar amount in subsection (b)(2)(A)(i) shall be in-  
24 creased by an amount equal to—

25 “(A) such dollar amount, multiplied by

1           “(B) the cost-of-living adjustment deter-  
2           mined under section 1(f)(3) for the calendar  
3           year in which the taxable year begins, deter-  
4           mined by substituting ‘calendar year 2001’ for  
5           ‘calendar year 1992’ in subparagraph (B)  
6           thereof.

7           If any amount as increased under the preceding sen-  
8           tence is not a multiple of \$10, such amount shall be  
9           rounded to the nearest multiple of \$10.”.

10           (B) ADOPTION ASSISTANCE PROGRAMS.—

11           (i) IN GENERAL.—Paragraph (1) of  
12           section 137(b) of the Internal Revenue  
13           Code of 1986 (relating to dollar limitation)  
14           is amended by striking “\$10,000” and in-  
15           serting “\$13,170”.

16           (ii) CHILD WITH SPECIAL NEEDS.—  
17           Paragraph (2) of section 137(a) of such  
18           Code (relating to \$10,000 exclusion for  
19           adoption of child with special needs regard-  
20           less of expenses) is amended—

21                   (I) in the text by striking  
22                   “\$10,000” and inserting “\$13,170”,  
23                   and

24                   (II) in the heading by striking  
25                   “\$10,000” and inserting “\$13,170”.

1 (iii) CONFORMING AMENDMENT TO IN-  
2 FLATION ADJUSTMENT.—Subsection (f) of  
3 section 137 of such Code (relating to ad-  
4 justments for inflation) is amended to read  
5 as follows:

6 “(f) ADJUSTMENTS FOR INFLATION.—

7 “(1) DOLLAR LIMITATIONS.—In the case of a  
8 taxable year beginning after December 31, 2010,  
9 each of the dollar amounts in subsections (a)(2) and  
10 (b)(1) shall be increased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-  
13 mined under section 1(f)(3) for the calendar  
14 year in which the taxable year begins, deter-  
15 mined by substituting ‘calendar year 2009’ for  
16 ‘calendar year 1992’ in subparagraph (B)  
17 thereof.

18 If any amount as increased under the preceding sen-  
19 tence is not a multiple of \$10, such amount shall be  
20 rounded to the nearest multiple of \$10.

21 “(2) INCOME LIMITATION.—In the case of a  
22 taxable year beginning after December 31, 2002, the  
23 dollar amount in subsection (b)(2)(A) shall be in-  
24 creased by an amount equal to—

25 “(A) such dollar amount, multiplied by

1           “(B) the cost-of-living adjustment deter-  
2           mined under section 1(f)(3) for the calendar  
3           year in which the taxable year begins, deter-  
4           mined by substituting ‘calendar year 2001’ for  
5           ‘calendar year 1992’ in subparagraph (B)  
6           thereof.

7           If any amount as increased under the preceding sen-  
8           tence is not a multiple of \$10, such amount shall be  
9           rounded to the nearest multiple of \$10.”.

10           (2) CREDIT MADE REFUNDABLE.—

11           (A) CREDIT MOVED TO SUBPART RELAT-  
12           ING TO REFUNDABLE CREDITS.—The Internal  
13           Revenue Code of 1986 is amended—

14           (i) by redesignating section 23, as  
15           amended by subsection (a), as section 36C,  
16           and

17           (ii) by moving section 36C (as so re-  
18           designated) from subpart A of part IV of  
19           subchapter A of chapter 1 to the location  
20           immediately before section 37 in subpart C  
21           of part IV of subchapter A of chapter 1.

22           (B) CONFORMING AMENDMENTS.—

23           (i) Section 24(b)(3)(B) of such Code  
24           is amended by striking “23,”.

1 (ii) Section 25(e)(1)(C) of such Code  
2 is amended by striking “23,” both places it  
3 appears.

4 (iii) Section 25A(i)(5)(B) of such  
5 Code is amended by striking “23, 25D,”  
6 and inserting “25D”.

7 (iv) Section 25B(g)(2) of such Code is  
8 amended by striking “23,”.

9 (v) Section 26(a)(1) of such Code is  
10 amended by striking “23,”.

11 (vi) Section 30(c)(2)(B)(ii) of such  
12 Code is amended by striking “23, 25D,”  
13 and inserting “25D”.

14 (vii) Section 30B(g)(2)(B)(ii) of such  
15 Code is amended by striking “23,”.

16 (viii) Section 30D(c)(2)(B)(ii) of such  
17 Code is amended by striking “sections 23  
18 and” and inserting “section”.

19 (ix) Section 36C of such Code, as so  
20 redesignated, is amended—

21 (I) by striking paragraph (4) of  
22 subsection (b), and

23 (II) by striking subsection (c).

24 (x) Section 137 of such Code is  
25 amended—

1 (I) by striking “section 23(d)” in  
2 subsection (d) and inserting “section  
3 36C(d)”, and

4 (II) by striking “section 23” in  
5 subsection (e) and inserting “section  
6 36C”.

7 (xi) Section 904(i) of such Code is  
8 amended by striking “23,”.

9 (xii) Section 1016(a)(26) is amended  
10 by striking “23(g)” and inserting  
11 “36C(g)”.

12 (xiii) Section 1400C(d) of such Code  
13 is amended by striking “23,”.

14 (xiv) Section 6211(b)(4)(A) of such  
15 Code is amended by inserting “36C,” be-  
16 fore “53(e)”.

17 (xv) The table of sections for subpart  
18 A of part IV of subchapter A of chapter 1  
19 of such Code of 1986 is amended by strik-  
20 ing the item relating to section 23.

21 (xvi) Paragraph (2) of section  
22 1324(b) of title 31, United States Code, as  
23 amended by this Act, is amended by insert-  
24 ing “36C,” after “36B,”.

1                   (xvii) The table of sections for subpart  
2                   C of part IV of subchapter A of chapter 1  
3                   of the Internal Revenue Code of 1986, as  
4                   amended by this Act, is amended by insert-  
5                   ing after the item relating to section 36B  
6                   the following new item:

“Sec. 36C. Adoption expenses.”.

7                   (3) COORDINATION WITH SUNSET.—Each  
8                   amendment made by this subsection to another pro-  
9                   vision of law is to such provision of law as amended  
10                  by section 10909(c) of the Patient Protection and  
11                  Affordable Care Act, as amended by section 101(b)  
12                  of the Tax Relief, Unemployment Insurance Reau-  
13                  thorization, and Job Creation Act of 2010.

14                  (4) EFFECTIVE DATE.—The amendments made  
15                  by this subsection shall apply to taxable years begin-  
16                  ning after December 31, 2011.

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