

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 195 Session of 2011

INTRODUCED BY GINGRICH, BAKER, BOBACK, BOYD, CLYMER, COHEN,
D. COSTA, J. EVANS, EVERETT, FLECK, FRANKEL, GIBBONS,
GODSHALL, GOODMAN, GROVE, HARHART, HARKINS, HESS, HICKERNELL,
HUTCHINSON, KAUFFMAN, KILLION, KORTZ, KULA, MAJOR, MILLER,
MILNE, MURPHY, M. O'BRIEN, O'NEILL, PAYNE, PICKETT, PYLE,
RAPP, SCAVELLO, SCHRODER, STERN, TALLMAN, WAGNER AND WHITE,
JANUARY 24, 2011

REFERRED TO COMMITTEE ON FINANCE, JANUARY 24, 2011

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for a tax credit for adoption expenses.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding a section to
15 read:

16 Section 314.1. Tax Credit for Adoption Expenses.--(a) A
17 taxpayer shall be allowed a credit against the tax imposed by
18 this article for the legal adoption of an eligible child for
19 which the taxpayer qualifies for the credit for adoption

1 expenses under section 23 of the Internal Revenue Code of 1986
2 (Public Law 99-514, 26 U.S.C. § 23).

3 (b) The amount of the credit allowed under subsection (a) is
4 equal to two thousand dollars (\$2,000) in the taxable year the
5 adoption is final. Only one credit is allowed for each eligible
6 child. However, married taxpayers filing separately on the same
7 form may allocate the credit between spouses.

8 (c) To claim the credit under this section, the taxpayer
9 shall:

10 (1) include the name, age and Federal tax identification
11 number, if known, of the eligible child on the tax return; and

12 (2) provide other information as required by the department,
13 including identification of an agent assisting with the
14 adoption.

15 (d) If the taxpayer cannot use the entire amount of the
16 credit under this section for the taxable year in which the
17 expenses are first claimed, then the excess may be carried over
18 to succeeding taxable years. Each time that the credit is
19 carried over to a succeeding taxable year, it shall be reduced
20 by the amount that was used as a credit during the immediately
21 preceding taxable year. The credit may be carried over and
22 applied to succeeding taxable years for no more than five
23 taxable years following the first taxable year for which the
24 taxpayer was entitled to claim the credit.

25 Section 2. The addition of section 314.1 of the act shall
26 apply to taxable years beginning after December 31, 2011.

27 Section 3. This act shall take effect in 60 days.