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### **President Obama Passes Legislation to Permanently Extend Adoption Tax Credit**

**Washington, DC—January 4, 2012**—Late Tuesday night, January 1, Congress passed the American Taxpayer Relief Act of 2012 (H.R. 8), legislation that included a permanent extension of the adoption tax credit. President Obama signed the bill into law Wednesday.

Since it was established in 1997, the adoption tax credit has helped thousands of American families offset the high cost of adoption or meet their adopted children's special needs. The credit was set to virtually disappear as of December 31, 2012. Earlier this year, the Adoption Tax Credit Working Group Executive Committee established four priorities for an adoption tax credit that is inclusive, permanent, refundable, and flat for special needs adoptions.

"By making the adoption tax credit permanent, Congress has renewed its commitment to finding a safe and loving homes for children in need," said Kathleen Strottman, Executive Director of the Congressional Coalition on Adoption Institute (CCAI). CCAI serves as the Secretariat of the Adoption Tax Credit Working Group Executive Committee. "We are thrilled that three of the four priorities established by the Executive Committee were included in this legislation. Unfortunately, without making the adoption tax credit refundable, many adoptive families of foster children with special needs will not be able to benefit from the credit."

The bill permanently extends the adoption tax credit and income exclusion for employer paid or reimbursed adoption expenses. While official estimates will be released later by the IRS, the projected maximum amount of the adoption credit for 2013 is expected to be \$12,770.

The benefits of the adoption tax credit reach beyond the children who are adopted. A 2006 study cited by the Children's Bureau found that taxpayers save as much as \$126,000 for every child who is adopted instead of remaining in long-term foster care. Significant savings to society are also achieved because children who are adopted fare better than those who live out their childhood in foster care. With more than 100,000 children in U.S. foster care waiting to be adopted, and countless millions of children worldwide without families, the continuation of the adoption tax credit helps provide love, safety, and permanency to many of these children.

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*Give families who adopt the credit they deserve. [www.adoptiontaxcredit.org](http://www.adoptiontaxcredit.org)*

The Adoption Tax Credit Working Group is a national collaboration of organizations and individuals uniting to support the cause of adoption by advocating for the adoption tax credit. We believe the adoption tax credit is an important resource to help children find forever families and make adoption affordable for all.

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