

Attention Adoptive Parents: Adoptions finalized 2010

The Adoption Tax Credit for 2010 has been expanded.

The credit amount for 2010 has been increased to \$13,170.

Additionally, the credit is now a "Refundable Credit".

As a Refundable Credit, this means that; an eligible taxpayer can still get the credit even if they do not owe any taxes for 2010 or if the credit exceeds the amount of tax they owe the excess amount is refundable rather than being carried forward to the following year.

Also, if an eligible taxpayer has a carry forward credit from an adoption finalized in an earlier year; that carried-forward amount in excess of tax owed is refundable for 2010.

For more information:

[www.irs.gov](http://www.irs.gov)

8839 Qualified Adoption Expenses

Form 8839 and instructions

IRS Publication 17, Refundable Credits

Speak to your tax professional tax preparer