



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Sam Benham

H.B. 304

132nd General Assembly
(As Introduced)

Rep. Young

BILL SUMMARY

- Extends an existing income tax credit for adopting a minor child to include adoption of a disabled adult by the adult's stepparent.
 - Applies the extended credit to those adoptions occurring on or after January 1, 2016.
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CONTENT AND OPERATION

Adoption tax credit extension

The bill extends an income tax credit that is currently available for adopting a minor child to include the adoption of a disabled adult by the adult's stepparent. Current law provides a nonrefundable income tax credit to a taxpayer who adopts a minor child. But the credit is not available for the adoption of an adult or for a stepparent's adoption of a minor stepchild. The bill extends the credit to the adoption of a disabled adult – i.e., a person who is permanently or totally disabled or who has been determined to have an intellectual disability – by the adult's stepparent. These descriptions – "permanently or totally disabled" and "determined to be a person with an intellectual disability" – refer to two of the five classes of individuals who, as adults, may be adopted under the state's adoption law.¹

Under continuing law, for each eligible adoption the credit equals the amount of adoption expenses, up to \$10,000, with a minimum credit amount of \$1,500. Credit

¹ R.C. 3107.02, not in the bill.

balances not used in the first year after adoption may be carried forward and claimed for the five following years.²

Retrospective application

The bill's changes apply to stepparent adoptions of disabled adult stepchildren occurring on or after January 1, 2016. A stepparent adopting a disabled adult stepchild in 2016 or 2017 may claim the credit on the stepparent's 2017 income tax return and carry forward any unused credit for five years.³

HISTORY

ACTION	DATE
Introduced	09-12-17

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² R.C. 5747.37.

³ Section 3.

