



The author of the first federal adoption tax credit has spoken out against the proposed removal of the credit in the GOP tax reform bill introduced in Congress last week.

“The tax code should support families, and, in a specific way, adoptive families who generously seek to welcome children into their loving homes,” said Rep. Chris Smith (R-N.J.) in a Nov. 7 letter sent to Republican House leadership.

“Every child deserves a loving family – and it is incumbent on us to assist those parents who seek to build their families through adoption.”

Smith’s letter voiced concern over provisions in the recently introduced Tax Cuts and Jobs Act that would repeal the adoption tax credit and exclude employer adoption assistance programs from taxation.

Smith introduced a \$5000 refundable adoption credit to Congress in 1990. The legislation was reintroduced in the following years, and eventually become law, with bipartisan support, in 1996.

Expanded and adjusted for inflation over the years, the adoption tax credit is now \$13,460.

Advocates for the credit argue that it helps defray the high costs of adoption, which might prevent children otherwise eligible for adoption from finding families. They also argue that encouraging adoption saves state and federal money that would otherwise be spent on children in the foster care system.

The cost of a domestic adoption frequently tops \$30,000, and international adoptions are

even more expensive, according to the Evan B. Donaldson Adoption Institute.

These costs cover birth expenses, counseling, fees for an evaluation of the adopting couple, legal work, documentation, travel expenses and adoption agency costs.

Noting that the adoption tax credit has enjoyed broad bipartisan support for more than two decades, Smith argued that “while this tax credit has a limitless reward, it has a modest cost. Latest reported numbers indicate the credit costs \$355 million annually.”

The Congressman noted that November is National Adoption Month. In a proclamation marking the occasion, President Donald Trump highlight the need “to remove barriers to adoption whenever we can, so that the love and care of prospective adoptive parents can be directed to children waiting for permanent homes.”

That declaration also described adoption as a signal “that no child in America – born or unborn – is unwanted or unloved.”

“I agree,” Smith said, “and therefore ask that H.R. 1 be amended to restore the adoption tax credit and exclusion for adoption assistance programs.”