



Am. S.B. 20

127th General Assembly
(As Passed by the General Assembly)

- Sens.** Clancy, Gardner, Stivers, Faber, Mumper, Padgett, Schuring, Schaffer, Kearney, D. Miller, Roberts, Coughlin, Cates, Austria, Buehrer, Cafaro, Carey, Fedor, Goodman, Grendell, Harris, Mason, R. Miller, Morano, Niehaus, Schuler, Smith, Spada, J. Wilson, Jacobson
- Reps.** Gibbs, Bubp, Blessing, Brinkman, J. Hagan, Latta, Patton, Widener, Wolpert, Bolon, Chandler, Healy, Letson, Miller, Yates, Adams, Aslanides, Bacon, Barrett, Batchelder, Beatty, Book, Brady, Brown, Budish, Celeste, Coley, Collier, Combs, Core, Daniels, DeBose, DeGeeter, Distel, Dolan, Domenick, Driehaus, Dyer, Evans, Fende, Flowers, Foley, Garrison, Goodwin, Goyal, R. Hagan, Harwood, Heard, Hottinger, Huffman, Hughes, Jones, Koziura, Luckie, Lundy, Mallory, Mandel, R. McGregor, Oelslager, Okey, Peterson, Raussen, Reinhard, Sayre, Schindel, Schlichter, Schneider, Seitz, Setzer, Skindell, Stebelton, D. Stewart, J. Stewart, Strahorn, Szollosi, Uecker, Ujvagi, Wachtmann, Wagner, Wagoner, Webster, White, Widowfield, B. Williams, Yuko, Zehringer

Effective date: *

ACT SUMMARY

- Increases from \$500 to \$1,500 the income tax credit for adoption of a minor child.
- Authorizes taxpayers to carry forward any excess credit for up to two years.

* The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.

CONTENT AND OPERATION

Increase of the adoption income tax credit

(R.C. 5747.37)

Continuing law authorizes a nonrefundable tax credit against the state personal income tax for a taxpayer who adopts a minor child. To qualify for the credit, the adoption has to occur pursuant to Ohio's adoption law (R.C. Chapter 3107.) or the laws of another state or nation if the adoption under those laws is recognizable under the Ohio adoption law. The tax credit does not apply to the adoption of a minor child by a stepparent. Under current law, the credit equals \$500 for each minor child legally adopted during a taxable year.

The act increases the amount of the tax credit to \$1,500 for each minor child legally adopted by a taxpayer. If a taxpayer's tax liability is less than \$1,500, the taxpayer may carry forward the excess credit by applying it against the taxpayer's tax liability for up to two additional consecutive taxable years.

Application of the credit

(Section 3)

The increased tax credit applies to adoptions of minor children under final decrees or orders of adoption duly issued, or interlocutory orders of adoption that become final, during taxable years beginning on or after January 1, 2007. In Ohio, an interlocutory order of adoption becomes final on a date specified in the order, which must be between six and twelve months after it is issued by a court, pending further observation and investigation by the court of the adoptive parents and home setting during that time.

HISTORY

ACTION	DATE
Introduced	02-20-07
Reported, S. Ways & Means & Economic Development	03-21-07
Passed Senate (32-0)	03-21-07
Reported, H. Ways & Means	05-10-07
Passed House (97-0)	05-16-07
Senate concurred in House amendments (33-0)	05-22-07

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