

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Issues Guidance on Expanded Adoption Credit Available for Tax-Year 2010;

Draft Form to Claim Credit Now on IRS.gov

IR-2010-100, Sept. 29, 2010

WASHINGTON — The Internal Revenue Service today issued guidance on the expanded adoption credit included in the Affordable Care Act. The IRS also released a draft version of the form that eligible taxpayers will use to claim the newly-expanded adoption credit on 2010 tax returns filed next year.

The Affordable Care Act raises the maximum adoption credit to \$13,170 per child, up from \$12,150 in 2009. It also makes the credit refundable, meaning that eligible taxpayers can get it even if they owe no tax for that year. In general, the credit is based on the reasonable and necessary expenses related to a legal adoption, including adoption fees, court costs, attorney's fees and travel expenses. Income limits and other special rules apply.

In addition to filling out Form 8839, Qualified Adoption Expenses, eligible taxpayers must include with their 2010 tax returns one or more adoption-related documents, detailed in the guidance issued today.

The documentation requirements, designed to ensure that taxpayers properly claim the credit, mean that taxpayers claiming the credit will have to file paper tax returns. Normally, it takes six to eight weeks to get a refund claimed on a complete and accurate paper return where all required documents are attached. The IRS encourages taxpayers to use direct deposit to speed their refund.

Taxpayers claiming the credit will still be able to use [IRS Free File](#) to prepare their returns, but the returns must be printed out and sent to the IRS, along with all required documentation.