Qualified Adoption Expenses

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

2016 maximum credit. The maximum credit and the exclusion for employer-provided benefits are both $13,460 per eligible child in 2016. This amount begins to phase out if you have modified adjusted gross income in excess of $201,920 and is completely phased out for modified adjusted gross income of $241,920 or more.

Future Developments

For the latest information about developments related to Form 8839 and its instructions, such as legislation enacted after they are published, go to www.irs.gov/form8839.

General Instructions

Purpose of Form

Use Form 8839 to figure your adoption credit and any employer-provided adoption benefits you can exclude from your income. You can claim both the exclusion and the credit for expenses of adopting an eligible child. For example, depending on the cost of the adoption, you may be able to exclude up to $13,460 from your income and also be able to claim a credit of up to $13,460. But, you can't claim both a credit and exclusion for the same expenses. See Qualified Adoption Expenses and Employer-Provided Adoption Benefits, later.

Adoption credit. Use Form 8839, Part II, to figure the adoption credit you can take on Form 1040, line 54 or Form 1040NR, line 51. Check box c on that line and enter “8839” in the space next to box c. You may be able to take this credit in 2016 if any of the following statements are true.

1. You paid qualified adoption expenses in connection with the adoption of an eligible U.S. child (including any expenses paid in connection with adopting an eligible U.S. child with special needs) in:
   a. 2015 and the adoption wasn’t final at the end of 2015, or
   b. 2016 and the adoption became final in or before 2016.
2. You adopted an eligible U.S. child with special needs and the adoption became final in 2016. (In this case, you may be able to take the credit even if you didn’t pay any qualified adoption expenses.)
3. You paid qualified adoption expenses in connection with the adoption of an eligible foreign child in:
   a. 2016 or prior years and the adoption became final in 2016, or
   b. 2016 and the adoption became final before 2016. See Column (e), later.
4. You have a carryforward of an adoption credit from 2015.

Income exclusion for employer-provided adoption benefits. Use Form 8839, Part III, to figure the employer-provided adoption benefits you can exclude from your income on Form 1040, line 7, or Form 1040NR, line 8. You may be able to exclude these benefits from income if your employer had a written qualified adoption assistance program (see Employer-Provided Adoption Benefits, later) and any of the following statements are true.

1. You received employer-provided adoption benefits in 2016. However, special rules apply for benefits received in connection with the adoption of an eligible foreign child. See Column (e), later.
2. You adopted an eligible U.S. child with special needs and the adoption became final in 2016.
3. You received employer-provided adoption benefits in connection with the adoption of an eligible foreign child in:
   a. 2016 or prior years and the adoption became final in 2016, or
   b. 2016 and the adoption became final before 2016. See Column (e), later.

Income limit. The income limit on the adoption credit or exclusion is based on modified adjusted gross income (MAGI). For 2016, use the following table to see if the income limit will affect your credit or exclusion.

<table>
<thead>
<tr>
<th>IF your MAGI is...</th>
<th>THEN the income limit...</th>
</tr>
</thead>
<tbody>
<tr>
<td>$201,920 or less</td>
<td>won't affect your credit or exclusion.</td>
</tr>
<tr>
<td>Between $201,921 and $241,919</td>
<td>will reduce your credit or exclusion.</td>
</tr>
<tr>
<td>$241,920 or more</td>
<td>will eliminate your credit or exclusion.</td>
</tr>
</tbody>
</table>

Definitions

Eligible Child

An eligible child is:
- Any child under age 18. If the child turned 18 during the year, the child is an eligible child for the part of the year he or she was under age 18.
- Any disabled individual physically or mentally unable to take care of himself or herself.

If you and another person (other than your spouse if filing jointly) adopted or tried to adopt an eligible U.S. child, see Line 2 (or Line 17, if applicable), before completing Part II (or Part III).
Qualified Adoption Expenses

Qualified adoption expenses are reasonable and necessary expenses directly related to, and for the principal purpose of, the legal adoption of an eligible child.

Qualified adoption expenses include:
- Adoption fees,
- Attorney fees,
- Court costs,
- Travel expenses (including meals and lodging) while away from home, and
- Re-adoption expenses relating to the adoption of a foreign child.

Qualified adoption expenses don't include expenses:
- For which you received funds under any state, local, or federal program,
- That violate state or federal law,
- For carrying out a surrogate parenting arrangement,
- For the adoption of your spouse's child,
- Reimbursed by your employer or otherwise, or
- Allowed as a credit or deduction under any other provision of federal income tax law.

Employer-Provided Adoption Benefits

In most cases, employer-provided adoption benefits are amounts your employer paid directly to either you or a third party for qualified adoption expenses under a qualified adoption assistance program. But see Child with special needs.

A qualified adoption assistance program is a separate written plan set up by an employer to provide adoption assistance to its employees. For more details, see Pub. 15-B, Employer's Tax Guide to Fringe Benefits.

Employer-provided adoption benefits should be shown in box 12 of your Form(s) W-2 with code T. Your salary may have been reduced to pay these benefits. You may also be able to exclude amounts not shown in box 12 of your Form W-2 if all of the following apply.
- You adopted a child with special needs. See Column (d), for the definition of a child with special needs.
- The adoption became final in 2016.
- Your employer had a written qualified adoption assistance program as described earlier.

The following examples help illustrate how qualified adoption expenses and employer-provided adoption benefits apply to the maximum adoption credit allowed.

Example 1. Madelyn paid $10,000 in qualified adoption expenses for the adoption of an eligible child. Under a qualified adoption assistance program, Madelyn’s employer reimbursed her for $4,000 of those expenses. Madelyn may exclude the $4,000 reimbursement from her income. However, because of the employer reimbursement, $4,000 of her expenses no longer meet the definition of qualified adoption expenses. As a result, Madelyn’s maximum adoption credit is limited to $6,000 ($10,000 - $4,000).

Example 2. Haylee paid $20,000 in qualified adoption expenses for the adoption of an eligible child, including $8,000 of legal fees. Under a qualified adoption assistance program, Haylee’s employer reimbursed the $8,000 of legal fees. Haylee may exclude the $8,000 employer reimbursement from her income. However, because of the employer reimbursement, $8,000 of Haylee’s expenses no longer meet the definition of qualified adoption expenses. As a result, Haylee’s maximum adoption credit is limited to $12,000 ($20,000 - $8,000).

Example 3. The facts are the same as in Example 2 except that instead of reimbursing Haylee for her legal fees, the employer directly paid the $8,000 to the law firm. The employer's payment of the legal fees produces the same result as the employer’s reimbursement of the legal fees in Example 2 ($8,000 exclusion and $12,000 credit).

Example 4. Paul paid $30,000 in qualified adoption expenses to adopt an eligible foreign child, and the adoption became final in 2016. Under a qualified adoption assistance program, Paul’s employer reimbursed him for $13,460 of those expenses. Paul may exclude the $13,460 reimbursement from his income. The remaining $16,540 of expenses ($30,000 - $13,460) continue to be qualified adoption expenses that are eligible for the credit. However, Paul’s credit is dollar-limited to $13,460. The remaining $3,080 ($30,000 - $13,460 - $13,460) may never be claimed as a credit or excluded from gross income.

Who Can Take the Adoption Credit or Exclude Employer-Provided Adoption Benefits?

You may be able to take the credit or exclusion if all three of the following statements are true.

1. Your filing status is single, head of household, qualifying widow(er), or married filing jointly. Generally, if you are married, you must file a joint return to take the credit or exclusion. However, if you are married and aren’t filing jointly, you may be able to take the credit or exclusion on your own return if you are considered unmarried because you are legally separated or living apart from your spouse and you meet certain other requirements. See Married Persons Not Filing Jointly.

2. Your modified adjusted gross income (MAGI) is less than $241,920 or you have a carryforward of an adoption credit from 2015. To figure your MAGI, see Line 7 (for the credit) or Line 23 (for the exclusion).

3. You report the required information about the eligible child in Part I.

Married Persons Not Filing Jointly

You may be able to take the credit or exclusion if all of the following apply.
- Statements (2) and (3) under Who Can Take the Adoption Credit or Exclude Employer-Provided Adoption Benefits are true.
- You lived apart from your spouse during the last 6 months of 2016.
- The eligible child lived in your home more than half of 2016.
- You provided over half the cost of keeping up your home.

Additionally, a person who is filing separately may claim an adoption credit carryforward from a prior year or years, provided that, if the person was married in the year in which the qualified adoption expenses first became allowable for the credit, the person filed a joint return for that year.

When To Take the Credit or Exclusion

When you can take the adoption credit or exclusion depends on whether the eligible child is a citizen or resident of the United States (including U.S. possessions) at the time the adoption effort began (domestic adoption).

Child who is a U.S. citizen or resident (U.S. child). If the eligible child is a U.S. citizen or resident, you can take the adoption credit or exclusion even if the adoption never became final. Take the credit or exclusion as shown in the following table.
Child with special needs. If you adopt a U.S. child with special needs, you may be able to exclude up to $13,460 and claim a credit for additional expenses up to $13,460 (minus any qualified adoption expenses claimed for the same child in a prior year). The exclusion may be available, even if you or your employer didn't pay any qualified adoption expenses, provided the employer has a written qualified adoption assistance program. See Column (d), for more information.

Foreign child. If the eligible child is a foreign child, you can't take the adoption credit or exclusion unless the adoption becomes final. A child is a foreign child if he or she wasn't a citizen or resident of the United States (including U.S. possessions) at the time the adoption effort began. Take the credit or exclusion as shown in the following table.

### For more information, see Column (e).

### Domestic Adoption

<table>
<thead>
<tr>
<th>IF you pay qualifying expenses in...</th>
<th>THEN take the credit in...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any year before the year the adoption becomes final*</td>
<td>The year after the year of the payment.</td>
</tr>
<tr>
<td>The year the adoption becomes final</td>
<td>The year the adoption becomes final.</td>
</tr>
<tr>
<td>Any year after the year the adoption becomes final</td>
<td>The year of the payment.</td>
</tr>
</tbody>
</table>

### Foreign Adoption

<table>
<thead>
<tr>
<th>IF you pay qualifying expenses in...</th>
<th>THEN take the credit in...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any year before the year the adoption becomes final</td>
<td>The year after the year of the payment.</td>
</tr>
<tr>
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</tr>
<tr>
<td>Any year after the year the adoption becomes final</td>
<td>The year of the payment.</td>
</tr>
</tbody>
</table>

*In the case of a U.S. child, an adoption credit may be allowable for an attempted or unsuccessful adoption, as well as for an adoption that isn't final. See the instructions for Line 1 and Line 5 for additional information.

If your employer makes adoption assistance payments in a year before the adoption of a foreign child is final, you must include the payments in your income in the year of the payment. Then, on your return for the year the adoption becomes final, you can make an adjustment to take the exclusion.

Your employer isn't required to withhold income tax on payments for qualifying expenses under an adoption assistance program. If you must include the payments in income in the year paid because your adoption of a foreign child isn't final, your withholding may not be enough to cover the tax on those payments. You may need to give your employer a new Form W-4 to adjust your withholding or make estimated tax payments to avoid a penalty for underpayment of estimated tax.

### Specific Instructions

#### Part I—Information About Your Eligible Child or Children

**Line 1**

Complete all columns that apply to the eligible child you adopted or tried to adopt.

If you can't give complete information about an eligible child you tried to adopt in 2015 because the adoption was either unsuccessful or wasn't final by the end of 2016, complete the entries that you can on line 1. Leave blank any entries you are unable to complete. For example, if you don't have an SSN or ATIN for your eligible child, leave column (f) blank.


### Attempted Adoptions of U.S. Children

In general, the dollar limitation requires you to combine the qualified adoption expenses you paid if you made more than one attempt to adopt one eligible U.S. child. When you combine the amounts you spent, complete only the "Child 1" line. Don't report the additional attempt(s) on the "Child 2" or "Child 3" line. Complete the "Child 2" or "Child 3" lines only if you adopted or tried to adopt two or three eligible children.

**Example 1.** You planned to adopt one U.S. child. You paid $10,000 of qualified adoption expenses in an unsuccessful attempt to adopt a child. You later paid $8,000 of additional qualified adoption expenses in a successful adoption of a different child. Complete only the "Child 1" line because you made more than one attempt to adopt one eligible child.

**Example 2.** The facts are the same as in Example 1 except that both attempts are unsuccessful and no adoption is ever finalized. Enter $18,000 ($10,000 + $8,000) on the "Child 1" line because you made more than one attempt to adopt one eligible child.

**Example 3.** You planned to adopt one U.S. child. You paid $9,000 in qualified adoption expenses in an unsuccessful attempt to adopt a child. You later successfully adopted twins, after paying an additional $24,000 in qualified adoption expenses ($12,000 per child). Enter $21,000 ($9,000 + $12,000) on the "Child 1" line because you made more than one attempt to adopt one eligible child. Enter $12,000 on the "Child 2" line because you made a successful attempt to adopt a second eligible child.
More Than Three Eligible Children

If you adopted or tried to adopt more than three eligible children, fill in and attach as many Forms 8839 as you need to list them. Also, enter “See Attached” to the right of the Caution below line 1.

For Part II, fill in lines 2 through 6 and 10 and 11 for each child. But fill in lines 7 through 9 and 12 through 16 on only one Form 8839. The amount on line 12 of that Form 8839 should be the combined total of the amounts on line 11 of all Forms 8839.

For Part III, fill in lines 17 through 20, 22, 26, and 27 for each child. But fill in lines 21, 23 through 25, 28, and 29 on only one Form 8839. The amount on line 21 of that Form 8839 should be the combined total of the amounts on line 20 of all the Forms 8839. The amount on line 28 of that form should be the combined total of the amounts on line 27.

Column (c)
A disabled individual, one who is physically or mentally unable to care for himself or herself, is an eligible child regardless of his or her age at the time of adoption.

Column (d)
A child is a child with special needs if all three of the following statements are true.

1. The child was a citizen or resident of the United States or its possessions at the time the adoption effort began (U.S. child).
2. A state (including the District of Columbia) has determined that the child can’t or shouldn’t be returned to his or her parents’ home.
3. The state has determined that the child won’t be adopted unless assistance is provided to the adoptive parents. Factors used by states to make this determination include:
   a. The child's ethnic background and age,
   b. Whether the child is a member of a minority or sibling group, and
   c. Whether the child has a medical condition or a physical, mental, or emotional handicap.

   The state must make a determination that a child has special needs before the child is considered to be a child with special needs. A child having a specific factor or condition isn’t enough to establish that the state has made a determination of special needs.

   You may be able to claim an exclusion or credit for the adoption of a U.S. child with special needs even if you didn’t pay any qualified adoption expenses. See Line 22 and the instructions for Line 5.

   For more information, see Tax Topic 607 available at www.irs.gov/taxtopics/tc607.html.

Example 1. Agency A is the child welfare department of State V. Mark, Rachel, and Janet, brother and sisters, are U.S. children residing in State V. When Mark was 10, Rachel 8, and Janet 6, Agency A removed the children from the home of the biological parents.

   After Agency A placed the children in foster care, Agency A determined it would be difficult to place the children for adoption without providing assistance to the adoptive family because of the ages and sibling relationship of the children. Agency A provided the adoptive parents with monthly subsidy payments on behalf of each child. The adoption assistance agreements entered into between Agency A and the adoptive parents are evidence that State V has determined that Mark, Rachel, and Janet are children with special needs and may be used to support the adoptive parents’ claim to the adoption tax credit.

   Mark, Rachel, and Janet are U.S. children who State V has removed from their biological parents. State V also has determined that each child has special needs. Their adoptive parents may claim an adoption tax credit for each child, even if the adoptive parents paid no qualifying adoption expenses, if all other requirements of the credit are met.

Example 2. Michael and Grace are born in State W and are members of a sibling group. Their biological mother places the siblings through a private adoption agency and voluntarily surrenders her parental rights. Membership in a sibling group is a factor that State W may use in determining that a child has special needs. State W also requires that adoptive parents requesting a state determination of special needs follow certain steps and make the request before the adoption is final. Michael and Grace’s adoptive parents don’t make a request or follow the required steps.

   Michael and Grace aren’t children with special needs because State W didn’t remove them from their biological mother and didn’t make a determination of special needs. Although membership in a sibling group is a factor that State W may use in making a determination, State W didn’t make a determination that either Michael or Grace wouldn’t be adopted unless adoption assistance was provided to the adoptive parents. However, Michael and Grace’s adoptive parents may claim adoption tax credits for the qualified adoption expenses they paid in connection with Michael and Grace’s adoption, if all other requirements of the credit are met.

Example 3. Hannah is born in State X. Her biological parents place Hannah for adoption through a private adoption agency and voluntarily relinquish their parental rights. Hannah then is adopted. A medical exam performed shortly after Hannah’s birth shows that Hannah has serious physical disabilities. Hannah isn’t a child with special needs because State X didn’t remove her from her biological parents and didn’t make a determination of special needs. However, Hannah’s adoptive parents may claim the adoption tax credit for the qualified adoption expenses they paid in connection with Hannah’s adoption, if all other requirements of the credit are met.

Example 4. Noah is born in Country Z and is diagnosed with serious physical and mental disabilities. Noah’s adoptive parents, who are residents of State Y, adopt Noah in Country Z, bring him to the United States, and re-adopt him in State Y. Noah isn’t a child with special needs because he wasn’t a citizen or resident of the United States when the adoption process began. Additionally, State Y didn’t remove him from the home of his biological parents and didn’t make a determination of special needs. However, Noah’s adoptive parents may claim the adoption tax credit for the qualified adoption expenses they paid in connection with Noah’s adoption, if all other requirements of the credit are met.

If you check the box in column (d) indicating the child has special needs, be sure to keep evidence of the state’s determination in your records.

Column (e)
A child is a foreign child if he or she wasn’t a citizen or resident of the United States or its possessions at the time the adoption effort began.

Special rules. If you paid qualified adoption expenses in 2016 or any prior year in connection with the adoption of a foreign
### Exclusion of Prior Year Benefits Worksheet

(For the adoption of a foreign child that became final in 2016)

**Keep For Your Records**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Enter the total employer-provided adoption benefits you received in 2016 and all prior years for the adoption of the foreign child</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Enter $13,460. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits in 2016 or any prior year to adopt the same child, see the instructions for line 2 at the end of this worksheet</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Enter the smaller of line 1 or line 2 here and on Form 8839, line 17. If necessary, cross out the preprinted amount on line 17 and enter the result above the preprinted amount</td>
<td></td>
</tr>
</tbody>
</table>

**Next:**
- Enter -0- on Form 8839, line 18.
- Enter the amount from line 3 of this worksheet on Form 8839, line 19.
- On Form 8839, line 20, enter the total amount of employer-provided adoption benefits received in 2016 and all prior years. On the dotted line next to line 20, enter “PYAB” and the total amount of benefits you received before 2016.
- Complete Form 8839 through line 28. Then, complete lines 4 through 9 of this worksheet to figure the amount of any prior year benefits you can exclude and the taxable benefits, if any, to enter on Form 8839, line 29.

4. Is the amount on your 2016 Form 8839, line 28, less than the amount on Form 8839, line 21?
   - Yes. Subtract Form 8839, line 28 from line 21
   - No. Skip lines 4 through 6 of this worksheet and go to line 7.

5. Enter the total employer-provided adoption benefits you received before 2016 included on Form 8839, line 20, for all children

6. **Taxable benefits.** Subtract line 5 of this worksheet from line 4. If zero or less, enter -0-. Enter the result here and on Form 8839, line 29. If more than zero, also include this amount on line 7 of Form 1040 or line 8 of Form 1040NR, and enter “AB” on the dotted line

7. Enter the amount from Form 8839, line 28

8. Enter the total **2016** employer-provided adoption benefits included on Form 8839, line 20, for all children

9. **Prior year excluded benefits.** Subtract line 8 of this worksheet from line 7. If zero or less, stop; you can’t exclude any of your prior year benefits

**Next.** Figure the total you would enter on line 7 of Form 1040 or line 8 of Form 1040NR before you exclude the amount from line 9 of this worksheet. Then, subtract the amount from line 9 of this worksheet from that total. Enter the result on line 7 of Form 1040 or line 8 of Form 1040NR. On the dotted line next to the line for wages, enter “PYAB” and the amount from line 9 of this worksheet.

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Example. Brian and Susan paid qualified adoption expenses of $7,000 in 2013, $8,000 in 2014, and $9,000 in 2015 in connection with the adoption of an eligible foreign child from Country X. Country X is a non-Hague country (a country not party to the Hague Adoption Convention). In 2015, Country X issued a final decree of adoption to Brian and Susan, who brought the child to the United States on an IR2, IR3, or IR4 visa. In 2016, Brian and Susan paid $1,000 in qualified adoption expenses in connection with re-adopting the child in their home state. Brian and Susan’s modified gross income (MAGI) is less than the MAGI limitation in all years.

Under Rev. Proc. 2005-31, Brian and Susan may treat 2015 (the year of the adoption in Country X) or 2016 (the year of re-adoption in the United States) as the year of finality. If Brian and Susan choose 2015, then the $24,000 of aggregate qualified adoption expenses paid in 2013, 2014, and 2015 ($7,000 plus $8,000 plus $9,000) will be treated as paid in 2015. The credit will be limited to $13,400 (the dollar limitation for 2015).

Brian and Susan instead may choose to treat 2016 (the year of re-adoption in the United States) as the year of finality. If Brian and Susan choose 2016, then the $25,000 of aggregate qualified adoption expenses paid ($24,000 total from 2013, 2014, and 2015, plus the $1,000 of re-adoption expenses paid in 2016) will be treated as paid in 2016. The credit will be limited to $13,460 (the dollar limitation for 2016).

### Hague adoptions

In Hague adoptions, there is usually an adoption proceeding in the sending country (and the country isn’t a party to the Hague Adoption Convention), discussed later before the child is allowed to come to the United States. There may also be a re-adoption proceeding in the United States, either in the same year as the foreign adoption or in a later year. Rev. Proc. 2005-31 generally allows taxpayers to choose as the year of finality: (1) the year of the foreign-sending country adoption proceeding, or (2) the year of the re-adoption, if the re-adoption occurs in either the first or second year following the year of the foreign-country proceeding. The expenses of re-adoption are qualified adoption expenses in the year in which the expenses are paid, subject to the dollar limitation.

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one that is a party to the Hague Adoption Convention, discussed
later) before the child is allowed to come to the United States.
Rev. Proc. 2010-31 generally allows taxpayers to choose as the
year of finality: (1) the year in which the sending country enters a
final decree of adoption, or (2) the year in which the U.S.
Secretary of State issues a certificate under section 301(a) of the
Intercountry Adoption Act of 2000, 42 U.S.C. sections 14901 -
14954.

Custodial agreements followed by adoption in the United
States. In a few cases, the sending country may allow the child
to come to the United States under a custodial agreement. If so,
the child will be adopted later in a state court in the United
the adoptive parent(s) to treat the year of the state-court
adoption as the year of finality.

The Hague Convention on Protection of Children and
Co-operation in Respect of Intercountry Adoption
(Hague Adoption Convention) entered into force for the
United States on April 1, 2008. The Hague Adoption Convention
applies if you adopted a child from a country that is party to the
Hague Adoption Convention and you filed your application and
petition (Forms I-800A and I-800) with the U.S. Citizenship and
Immigration Service after March 31, 2008. See
www.adoption.state.gov for more information on the Hague
Adoption Convention, the application and petition, and a
complete list of countries that are parties to the Convention.

If you received employer-provided adoption benefits in 2016
in connection with the adoption of a foreign child and the
adoption didn't become final by the end of 2016, you must
include the benefits in the total entered on Form 1040, line 7, or
Form 1040NR, line 8. Also, enter “AB” on the dotted line next to
Form 1040, line 7, or Form 1040NR, line 8.

Exclusion of prior year benefits. If you received
employer-provided adoption benefits before 2016 in connection
with the adoption of a foreign child and the adoption became
final in 2016, you may be able to exclude part or all of those
benefits from your 2016 income. To find out if you can, complete
the Exclusion of Prior Year Benefits Worksheet. You also must
use that worksheet to complete Form 8839, Part III, and to figure
any taxable benefits to enter on Form 8839.

If the adoption of more than one eligible foreign child became
final in 2016, complete lines 1 through 3 of the Exclusion of Prior
Year Benefits Worksheet separately for each foreign child and
use the combined totals to complete lines 4 through 9 of the
worksheet.

If you check the box in column (e), you must also check
the box in column (g), indicating the adoption was
finalized in 2016 or earlier.

Column (f)
Enter the child’s identifying number. This can be a social security
number (SSN), an adoption taxpayer identification number
(ATIN), or an individual taxpayer identification number (ITIN).

Enter the child’s SSN if the child has an SSN or you will be
able to get an SSN in time to file your tax return. Apply for an
SSN using Form SS-5.

If you are in the process of adopting a child who is a U.S.
citizen or resident alien but you can’t get an SSN for the child in
time to file your return, apply for an ATIN using Form W-7A.
However, if the child isn’t a U.S. citizen or resident alien, apply
instead for an ITIN using Form W-7.

Column (g)
Check the box in column (g) if the adoption for each child
became final in 2016 or earlier.

Part II—Adoption Credit

Line 2
The maximum adoption credit is $13,460 per child. If you and
another person (other than your spouse if filing jointly) each paid
qualified adoption expenses to adopt the same child, the
$13,460 limit must be divided between the two of you. You can
divide it in any way you both agree. Cross out the preprinted
entry on line 2 and enter above line 2 your share of the $13,460
limit for that child.

Line 3
If you filed Form 8839 for a prior year for the same child, enter on
line 3 the total of the amounts shown on lines 3 and 6 (or
corresponding line) of the last form you filed for the child.

Line 5
Special rules apply if you paid expenses in connection
with the adoption of an eligible foreign child. See
Column (e), for details.

Enter on line 5 the total qualified adoption expenses (as
defined earlier) you paid in:
• 2015 if the adoption wasn’t final by the end of 2016,
• 2015 and 2016 if the adoption became final in 2016, or
• 2016 if the adoption became final before 2016.

Expenses reimbursed by your employer under a written
qualified adoption assistance program aren’t qualified
adoption expenses and must not be entered on line 5.
See the examples following Employer-Provided Adoption
Benefits.

Special needs adoption. If you adopted a U.S. child with
special needs and the adoption became final in 2016, enter on
line 5:
• $13,460, minus
• Any qualified adoption expenses you used to figure any
adoption credit you claimed for the same child in a prior year.
This is the amount you entered on line 3 of Form 8839 for this
child.

If you didn’t claim any adoption credit for the child in a prior
year, enter $13,460 on line 5 even if your qualified adoption
expenses for the child were less than $13,460 (and even if you
didn’t have any qualified adoption expenses for this child).

Unsuccessful adoption. If you paid qualified adoption
expenses in an attempt to adopt a U.S. child and the attempt
was unsuccessful, treat those expenses in the same manner as
expenses you paid for adoptions not final by the end of the year.

Example. You paid $3,000 of qualified adoption expenses in
2015 in an attempt to adopt a U.S. child. You paid $2,000 in
qualified adoption expenses early in 2016. However, the
adoption attempt was unsuccessful. Enter $3,000 on line 5. The
$2,000 paid in 2016 may qualify in 2017.

Line 7
Use the following chart to find your modified adjusted gross
income to enter on line 7.
The type and rule above prints on all proofs including departmental reproduction proofs. MUST be removed before printing.

IF you file...

THEN enter on line 7 the amount from...

Form 1040

Form 1040, line 38, increased by the total of any:

- Exclusion of income from Puerto Rico and
- Amounts from:
  - Form 2555, lines 45 and 50,
  - Form 2555-EZ, line 18, and
  - Form 4563, line 15.

Form 1040NR

Form 1040NR, line 37.

**Line 15**

Complete the credit limit worksheet to figure the limit of your nonrefundable adoption credit.

**Credit Limit Worksheet—Line 15**

1. Enter the amount from Form 8839, line 14

2. Enter the amount from Form 1040, line 47, or Form 1040NR, line 45

3. **1040 filers:** Enter the total of any amounts from Form 1040, lines 48 through 51; Form 5695, line 30; line 12 of the Line 11 Worksheet in Pub. 972 (but if you are filing Form 2555 or Form 2555-EZ, enter the amount, if any, from line 13 of the Child Tax Credit Worksheet in Pub. 972); Form 8396, line 9; Form 8910, line 15; Form 8936, line 23; and Schedule R, line 22

4. **1040NR filers:** Enter the total of any amounts from Form 1040NR, lines 46 through 48; Form 5695, line 30; line 12 of the Line 11 Worksheet in Pub. 972 (but if you are filing Form 2555 or Form 2555-EZ, enter the amount, if any, from line 13 of the Child Tax Credit Worksheet in Pub. 972); Form 8396, line 9; Form 8910, line 15; Form 8936, line 23

5. Subtract line 3 from line 2

6. Enter the smaller of line 1 or line 4 here and on Form 8839, line 15

**TIP**

If you aren't claiming the child tax credit for 2016, you don't need Pub. 972.

**Line 16—Credit Carryforward to 2017**

If Form 8839, line 15 is smaller than line 14, you may have an unused credit to carry forward to the next 5 years or until used, whichever comes first. Use the Adoption Credit Carryforward Worksheet to figure the amount of your credit carryforward. If you have any unused credit to carry forward to 2017, be sure you keep the worksheet. You will need it to figure your credit for 2017.

**Part III—Employer-Provided Adoption Benefits**

**Line 17**

The maximum amount that can be excluded from income for employer-provided adoption benefits is $13,460 per child. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits in connection with the adoption of the same eligible child, the $13,460 limit must be divided between the two of you. You can divide it in any way you both agree. Cross out the preprinted entry on line 17 and enter above line 17 your share of the $13,460 limit for that child.

**Line 18**

If you received employer-provided adoption benefits in a prior year for the same child, enter on line 18 the total of the amounts shown on lines 18 and 22 (or corresponding lines) of the last Form 8839 you filed for the child.

Special rules apply if the prior year benefits were received in connection with the adoption of a foreign child and the adoption became final in 2016. See Exclusion of prior year benefits, earlier.

**Line 22**

If the child was a child with special needs and the adoption became final in 2016, enter the amount from line 19 only if your employer has a qualified adoption assistance program, as defined earlier under Employer-Provided Adoption Benefits. This requirement applies whether or not you received any employer-provided adoption benefits under this plan.

If your employer has no qualified adoption assistance program, you must enter the smaller of line 19 or line 20.

**Line 23**

Use the Modified Adjusted Gross Income (MAGI) Worksheet to figure your modified adjusted gross income.

Your modified adjusted gross income (MAGI) for the adoption credit may not be the same as the MAGI figured in the following worksheet. If you are taking the credit, be sure to read Line 7 before you enter an amount on that line.
Adoption Credit Carryforward Worksheet—Line 16

1. Enter the amount from Form 8839, line 12 .......................................................... 1. _______

Did you use the Adoption Credit Carryforward Worksheet—Line 16 in the 2015 Form 8839 instructions?
☐ No. Skip lines 2 through 5. Enter the amount from line 1 of this worksheet on line 6.
☐ Yes. Have that worksheet handy and go to line 2.

2. Enter any 2012 credit carryforward (line 8 of your 2015 worksheet) .............................. 2. _______

3. Enter any 2013 credit carryforward (line 10 of your 2015 worksheet) .............................. 3. _______

4. Enter any 2014 credit carryforward (line 12 of your 2015 worksheet) .............................. 4. _______

5. Enter any 2015 credit carryforward (line 14 of your 2015 worksheet) .............................. 5. _______

6. Add lines 1 through 5 .......................................................... 6. _______

7. Enter the amount from Form 8839, line 16 .......................................................... 7. _______

8. Subtract line 7 from line 6 ........................................................................ 8. _______

Did you enter an amount on line 2, 3, 4, or 5?
☐ No. Enter the amount on line 8 on lines 17 and 18 below; skip all the other lines.
☐ Yes. Continue to line 9.

9. 2012 credit carryforward to 2017. Subtract line 7 from line 2. If zero or less, enter -0- ......... 9. _______

10. Subtract line 2 from line 7. If zero or less, enter -0- .................................................... 10. _______

11. 2013 credit carryforward to 2017. Subtract line 10 from line 3. If zero or less, enter -0- ......... 11. _______

12. Subtract line 3 from line 10. If zero or less, enter -0- .................................................... 12. _______

13. 2014 credit carryforward to 2017. Subtract line 12 from line 4. If zero or less, enter -0- ......... 13. _______

14. Subtract line 4 from line 12. If zero or less, enter -0- .................................................... 14. _______

15. 2015 credit carryforward to 2017. Subtract line 14 from line 5. If zero or less, enter -0- ......... 15. _______

16. Add lines 9, 11, 13, and 15 ........................................................................ 16. _______

17. 2016 credit carryforward to 2017. Subtract line 16 from line 8. If zero or less, enter -0- ......... 17. _______

18. Total credit carryforward to 2017. Add lines 16 and 17 .............................................. 18. _______

Modified Adjusted Gross Income (MAGI) Worksheet—Line 23

Before you begin:
√ If you file Form 1040, complete lines 8a through 21, 23 through 32, and 36 if they apply.
√ If you file Form 1040NR, complete lines 9a through 21, 24 through 32, and 35 if they apply.

1. Enter the amount you would enter on line 7 of Form 1040 or line 8 of Form 1040NR if you could exclude the total amount on Form 8839, line 21 .......................................................... 1. _______

2. Enter the amount from Form 8839, line 21 .......................................................... 2. _______

3. Form 1040 filers, enter the total of lines 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, 20b, and 21.
   Form 1040NR filers, enter the total of lines 9a, 10a, 11 through 15, 16b, 17b, and 18 through 21 3. _______

4. Add lines 1, 2, and 3 ........................................................................ 4. _______

5. Form 1040 filers, enter the total of lines 23 through 32, and any write-in adjustments entered on the dotted line next to line 36.
   Form 1040NR filers, enter the total of lines 24 through 32 and any write-in adjustments entered on the dotted line next to line 35 .......................... 5. _______

6. Subtract line 5 from line 4 ........................................................................ 6. _______

Form 1040 filers, increase the amount on line 6 of this worksheet by the total of the following amounts. Enter the total on Form 8839, line 23.
   • Any amount from Form 2555, lines 45 and 50, Form 2555-EZ, line 18, and Form 4563, line 15, and
   • Any exclusion of income from Puerto Rico.

Form 1040NR filers, enter on Form 8839, line 23, the amount from line 6 of this worksheet.